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Economic Cooperation

2006

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

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Asia-Pacific  
Economic Cooperation

Committee on  
Trade and Investment

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Your Excellencies,

It is my pleasure to convey to you the *APEC Committee on Trade and Investment's (CTI) 2006 Annual Report* for your endorsement. The report provides an overview of CTI's work during 2006 and seeks endorsement of recommendations to advance APEC's trade and investment goals.

In accordance with its ministerial mandate, CTI has focused its efforts on assisting APEC members progress towards the Bogor Goals of free and open trade in the Asia-Pacific region. Its *work program for 2006 was framed by the Busan Roadmap to the Bogor Goals* approved by Ministers and endorsed by APEC Leaders in November 2005.

The Committee identified the following as key areas of work in 2006: Support for the Multilateral Trading System; RTAs/FTAs; Trade Facilitation; Transparency and Anti-corruption; Digital Economy and Strengthening Intellectual Property Rights, and Investment. Specific work plans in these areas also included capacity building activities designed to assist developing member economies meet their APEC commitments and participate fully in broader efforts to open markets in the Asia-Pacific region.

Viet Nam 2006 has been a productive year for the CTI and the 10 sub-groups and 4 industry dialogues it oversees. Some important outcomes have been produced and good progress has been made in all priority areas. The CTI also undertook work related to a number of other APEC-wide priorities, in particular, implementation of APEC's security commitments and APEC reform. Some significant CTI deliverables for 2006 are highlighted below.

#### ***Promoting High Quality RTAs/FTAs***

In 2006, CTI developed a process to identify and develop model measures for commonly accepted chapters of regional trade arrangements and free trade agreements (RTAs and FTAs), as called for by Ministers in the Busan Roadmap. Work began in 14 areas in 2006 and I am pleased to report that the Committee has been able to agree on **6 sets of model measures**. These are trade in goods; technical barriers to trade; transparency; government procurement; cooperation; and dispute settlement. This adds to Trade Facilitation, which was endorsed in 2005. Work will continue on the other 8 areas (trade in services; electronic commerce; investment; rules of origin and origin procedures; safeguards; sanitary and phyto-sanitary measures; anti-dumping; and subsidies and countervailing duties) with a view to completing them as soon as possible.

My expectation is that by 2008, CTI will have completed a set of model measures for a substantial number of commonly accepted chapters of FTAs and RTAs and that this work will be a **valuable capacity building tool** for economies seeking to negotiate FTAs and RTAs. The model measures are not binding on APEC economies nor be prescriptive about the contents of agreements. They are intended as a guide only. The work for developing model measures will be a valuable contribution to maintaining consistency and coherence across RTAs/FTAs in the region.

### **Trade Facilitation**

Trade facilitation remains a cornerstone of the CTI's trade agenda. In 2006, CTI reviewed the APEC Trade Facilitation Plan (TFAP) which expires in 2006 and developed a framework to steer APEC's trade facilitation work beyond 2006. We conducted a review of the TFAP with the assistance prominent academics in the field and submitted for endorsement, the APEC Trade Facilitation Action Report to Ministers. The report concludes that APEC members have made substantial progress in achieving the objective of TFAP in reducing transaction costs. It also outlines a strategy to **strengthen and broaden APEC's trade facilitation work** under a new Trade Facilitation Action Plan (TFAP2). A key feature of the new plan will be a greater focus on collective trade facilitation initiatives. These include:

- The development of an agreed definition of **single window to simplify trade reporting** requirements.
- Implementation of the APEC Framework for Secure Trade, based on the World Customs Organization Framework of **Standards to Secure and Facilitate Global Trade**.
- **A 'Food Safety Cooperation Initiative'** to promote capacity building to improve awareness of and compliance with international food standards to facilitate trade in food for APEC economies.
- The implementation of **time-release surveys** to provide a self assessment tool for identifying bottlenecks in customs-related procedures and to improve efficiency, effectiveness and facilitate trade.
- The development of an initiative on **"Making Customs Forms Available in English"**.

At their next meeting in Cairns, Australia, in July 2007, I intend to present to Ministers' Responsible for Trade for endorsement a comprehensive new Trade Facilitation Action Plan (TFAP2) on behalf of CTI.

### **Digital Economy and Strengthening Intellectual Property Rights (IPR)**

The Committee has agreed on a set of **technology choice principles** to be adopted as a Pathfinder initiative. The Principles commit participating economies to ensuring that the use of particular technologies is not mandated to the detriment of alternative and comparable technology. Under the pathfinder initiative, I am pleased to report that fourteen member economies have already joined the Pathfinder.

The Committee's Intellectual Property Experts Group assisted the CTI in the development of **two sets of model guidelines under the APEC Anti-counterfeiting and Piracy Initiative**, one on 'effective public awareness campaigns on intellectual property rights' and one on 'securing supply chains against counterfeit and pirated goods'.

### ***Investment***

The Committee's Investment Experts Group developed an expanded work program and ***framework on investment liberalisation and facilitation***. The framework has two principal objectives – to assist economies understand the impact of investment liberalisation; and to work more closely with business on ways to improve the regional investment climate. This work has been strongly supported by the APEC Business Advisory Council.

### ***Implementation of Leaders' Security Commitments***

CTI's Business Mobility Group completed a successful pilot of the world-first, real-time multilateral ***Regional Movement Alert System (RMAS)*** which identifies the attempted use of lost and stolen passports between the United States, New Zealand and Australia. The pilot has proved very successful and is now ready for wider application in the APEC region. The BMG is also conducting work on biometric travel documents and related border systems.

### ***APEC Reform***

In 2006, the Committee reviewed the performance of all its sub-fora and conducted an assessment of their effectiveness and ongoing relevance to Leaders' and Ministers' priorities. As a result one sub-forum has been disbanded and the several others will be the subject of further discussion in 2007. The CTI will continue to conduct annual reviews of its sub-fora to ensure that they focused on APEC priorities.

I would also like to take this opportunity to express my appreciation for the excellent support provided to me as chair by vice-chairs, Ms Pham Quynh Mai from Viet Nam, Ms Carol Yip and Mr. Y C Cheng from Hong Kong, China and support staff, Catherine Wong, Takashi Hattori and David Higgins.

Yours sincerely,



Chris De Cure  
Chair, APEC Committee on Trade and Investment



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## ***INTRODUCTION***

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

The CTI oversees ten sub-groups and four industry dialogues. CTI also works closely with other APEC Committees, Task Forces and Working Groups to ensure that Leaders and Ministers' instructions on trade and investment issues are implemented in a coordinated manner.

The CTI Annual Report to Ministers for 2006 outlines the Committee's accomplishments and recommendations in the key priority areas of APEC's Trade and Investment Liberalization and Facilitation (TILF) agenda. Collective Action Plans (CAPs) in various ***Osaka Action Agenda*** (OAA) issue areas, which were first reported in 1996, continued to be the Committee's main vehicle for advancing APEC's trade and investment agenda

CTI's work program for 2006 was framed by the Busan Roadmap to the Bogor Goals endorsed by APEC Leaders in November last year. Five small groups of "friends of the Chair (FOTC)", comprising between 5-14 economies, were established to develop work plans with time frames, objectives and deliverables in five key areas: Support for the Multilateral Trading System; RTAs/FTAs; Trade Facilitation; Transparency and Anti-corruption; and Digital Economy and Strengthening IPR. In addition, the Committee, through its Investment Experts Group, developed an expanded work program on investment liberalization and facilitation. The CTI also undertook work related to a number of other APEC-wide priority areas including implementation of APEC's security commitments; and APEC reform. All of these work plans included capacity building activities designed to assist developing economies meet their APEC commitments and participate more fully in the international trading system.



## ***SECTION I: SUPPORT FOR THE MULTILATERAL TRADING SYSTEM***

### ***Results***

CTI members remained firmly committed to the Multilateral Trading System and it remains the Committee's highest priority. CTI's objectives in this area, adopted at the Committee's first meeting in February 2006, focused on promoting a political commitment to a successful conclusion to the round and facilitating capacity building to assist APEC economies participate fully in the negotiations. This framed the Committee's work for the year and led to the following key results:

- Identification of issues for consideration by APEC Ministers Responsible for Trade in June 2006 and the development of the Statement they issued.
- developing a more efficient and effective approach to the delivery of capacity building in support of APEC's trade and investment work. Work has begun on a new strategic program-based approach to WTO capacity building that could involve the development of a regional curriculum of WTO-based training.
- CTI sub-fora organized capacity building activities (listed in accompanying table) aimed at helping developing member economies better understand WTO issues, participate in WTO negotiations, and better implement their WTO obligations.
- CTI's WTO Capacity Building Group (WCBG) organized a Training Course on Multi-Stakeholder Trade Policy recommendations APEC Workshop on Best Practices in Trade Facilitation Capacity Building.

Subject to Ministerial agreement, the WCBG will be abolished and its work integrated into the mainstream agenda of the CTI, perhaps through a FOTC process.

### ***Work Plan***

In 2006, CTI adopted an extensive work plan on support for the multilateral trading system anchored around the following objectives:

- Contribute to advancing negotiations in the WTO.
- Enhance the capacity building work for participation in the WTO process.
- Support the prompt conclusion of relevant APEC members' WTO accession negotiations.
- Provide substantive contribution to the MRT and AMM Statements in collaboration with GOS, MAG and other sub-fora.
- Assist in advancing WTO negotiations, using APEC's past achievements as a model, including working with the business community and the use of the Geneva Caucus.
- Share APEC's work on and promote transparency disciplines in the DDA negotiations.
- Examine/Build support for work on NTBs and other issues under discussion in WTO.
- Encourage additional market access commitments in services and assist GATS negotiations by exploring sectors which are beneficial to the development of services industries in APEC economies.
- Continue work on a voluntary basis on sectoral initiatives without prejudging Economies' position in the WTO, e.g. the initiative of the Agreement on Duty-Free Treatment of Multi-Chip Integrated Circuits (MCPS).

- Support the operationalisation of the principles of Special and Differential Treatment in the DDA negotiations.
- Strengthen capacity building work, e.g. sharing of lessons learned from past WTO-related projects to improve the effectiveness of further APEC capacity building activities, organizing a workshop on the WTO rules negotiations in services.
- Explore the possibility of a work program on aspects of market access for agricultural products.
- Continue to discuss ABAC's recommendations to remove impediments to investment in the financial services sector, and improve the quality of offers in financial services in the GATS.
- Support the tariff negotiations conducted by its members through the holding of a workshop on software and databases available on the Internet.
- Confirm that trade and tariff data have been submitted to the WTO in accordance with WTO deadlines and the requirements of the MAG database.
- Undertake work, including by APEC members in Geneva, to demonstrate how liberalization promotes investment and economic development.

**Table 1: Work in response to CTI Priority: Support for the Multilateral Trading System by Sub-forum**

<b>SUB-FORA</b>	<b>WORK UNDERTAKEN</b>
<b>Market Access Group (MAG)</b>	<p>MAG continued to support the NAMA negotiations, <i>inter alia</i>, by sharing information on specific liberalization initiatives. In the IT products area they conducted an initial exchange of views on the <b>Agreement on Duty-Free Treatment of Multi-Chip Integrated Circuits</b> (MCPs) and agreed to keep relevant developments, including possible accessions, under review. MAG discussed how APEC can support maintenance of the WTO Information Technology Agreement to ensure that new generation of products covered by the ITA continue to receive ITA tariff treatment.</p> <p>MAG agreed to continue work on sharing views and approaches on environmental goods. They will continue, as appropriate, to exchange information intersessionally.</p> <p>MAG agreed to explore the possibility of a work program on aspects of market access for agricultural products.</p> <p>MAG agreed to hold a workshop on software and databases available on the Internet in support of the trade negotiations conducted by its members</p>

<b>SUB-FORA</b>	<b>WORK UNDERTAKEN</b>
<b>Group on Services (GOS)</b>	<p>GOS held a Workshop on WTO Rules Negotiation in Services, 28–29 June 2006, Kunming, China. The workshop covered a range of the topics in the WTO rules negotiations on services including domestic regulations, subsidies, government procurement and emergency safeguard measures.</p> <p>GOS discussed the concept of emergency safeguard measures and agreed to explore the possibility of conducting a workshop in 2007 of issues related to the development of an emergency safeguard mechanism for services.</p> <p>GOS discussed the possible parameters for the definition of services subsidies and the proposed framework for information sharing among Members.</p> <p>GOS agreed to explore with the IEG on possible collaboration between the two sub-fora in response to the ABAC recommendations for removing impediments to investment in the financial services sector, and improving the quality of offers in financial services in both the GATS and RTAs/FTAs contexts.</p>
<b>Sub-committee on Standards and Conformance (SCSC)</b>	<p>SCSC continued to monitor and review activities in the WTO/TBT Committee of interest to the SCSC.</p> <p>SCSC completed a summary on the latest activities of WTO Committee on Sanitary and Phyto-sanitary measures.</p> <p>SCSC conducted capacity building workshops on metrology which help establishment of infrastructures necessary for implementation of standards and conformance related WTO agreements.</p>
<b>Sub-committee on Customs Procedures (SCCP)</b>	<p>SCCP completed a multi-year technical assistance project that was designed to provide technical assistance and capacity building to customs administrations in the APEC region that face difficulties in implementing customs-related WTO agreements. The Workshop on the TRIPS Agreement held in Petaling Jaya, Malaysia on 17–21 April 2006 was the last workshop under this project.</p>
<b>Intellectual Property Rights Experts Group (IPEG)</b>	<p>IPEG continued work in relation to the survey on each economy's legal regime for protecting GIs. It also developed a survey on plant variety protection regime in APEC economies.</p>
<b>Competition Policy and Deregulation Group (CPDG)</b>	<p>CPDG contributed to the advancement of the Multilateral Trading System through continuous information/ experience sharing and discussion amongst its members in the area of competition policy/ laws and deregulation.</p>
<b>Government Procurement Experts Group (GPEG)</b>	<p>GPEG continued to monitor developments on Government Procurement in the WTO.</p>

<b><i>SUB-FORA</i></b>	<b><i>WORK UNDERTAKEN</i></b>
<b><i>Business Mobility Group (BMG)</i></b>	<p>BMG continued to support the WTO process and Bogor Goals through various trade facilitation capacity building initiatives which are aimed at improving temporary business entry arrangements and reducing costs to business, and include agreements to implement on a <b><i>best endeavours</i></b> basis:</p> <ul style="list-style-type: none"> <li>• the APEC Business Travel Card scheme</li> <li>• the agreed 30 day service standard for intra company transferees (executives, managers and specialists (the latter as defined by each economy));</li> <li>• agreement to consider streamlining access for spouses of intra company transferees to work rights;</li> <li>• agreed standards for e-commerce arrangements; and</li> <li>• its capacity building strategy in respect of implementing standards in travel document security, professional service, immigration legal infrastructure, travel document examination and advance passenger information.</li> </ul> <p>The BMG continued with information exchange on progress in implementing trade facilitation plan actions and measures to reduce business transaction costs. In its 2005 Report to Leaders, ABAC recommended the promotion and expanded use of the APEC Business Travel Card, and the need to address operational and logistical problems relating to the card. On behalf of ABTC participating economies, Australia developed and rolled out a new ABTC processing system. The new system is more robust and secure and will enable economies to promote the scheme with greater confidence. The BMG has agreed to continue to endeavour to improve pre clearance processing times, recognition of the ABTC at airports and APEC lane arrangements.</p>
<b><i>WTO Capacity Building Group (WCBG)</i></b>	<p>WCBG organized a Training Course on Multi-stakeholder Trade Policy Consultations in Da Nang, Viet Nam, on 22–24 March 2006. The objectives of the course was to increase the capacity of participating economies to conduct and benefit from multi-stakeholder consultations in the development and mainstreaming of their national trade strategies, to demonstrate the usefulness and benefits of consulting with different stakeholder groups. It was useful for developing economies to know the process of policy formulation in relation to relative stakeholders.</p> <p>WCBG completed the evaluation of APEC's past capacity building activities in order to improve the effectiveness of future activities. Two key recommendations made by this report were to suggest a major rethinking of the capacity-building by WCBG, or more broadly, capacity-building in the context of APEC. The first one recommends WTOCBG to take a long-term programmatic approach, instead of the current event-centered approach. The second one suggests a rethinking of APEC's capacity-building as a building of a network through which participants could gain knowledge and expert support when and where needed. There is another important recommendation to reconsider the role sharing among various parties involved.</p>
<b><i>Automotive Dialogue</i></b>	<p>The Automotive Dialogue continued work on lowering tariff and non-tariff barriers.</p>

<b><i>SUB-FORA</i></b>	<b><i>WORK UNDERTAKEN</i></b>
<b><i>Chemical Dialogue</i></b>	<p>The Chemical Dialogue continued to raise awareness of chemical sectoral discussions taking place in the WTO/NAMA (including global industry efforts and industry objectives for the round) and seek new co-sponsors for initiatives;</p> <p>The Dialogue reviewed horizontal NAMA non-tariff initiatives to determine whether these are of interest to APEC chemical producers.</p> <p>The Chemical Dialogue continued to monitor and undertake individual and collective advocacy on regulatory directives affecting chemicals (such as REACH) to ensure that these measures are WTO compliant and do not constitute an unnecessary burden on industries or barrier to trade.</p> <p>The Dialogue carried on with implementation of APEC's agreement to expedite implementation of the Globally Harmonized System (GHS) of chemical classification and labelling supports the implementation of the WTO Agreement on Technical Barriers to Trade.</p>
<b><i>Life Sciences Innovation Forum (LSIF)</i></b>	<p>The Life Science Innovation Forum developed initiatives to address priority non-tariff measures, identified in LSIF Strategic Plan.</p> <p>LSIF reviewed initiatives underway in the WTO/DDA that could be relevant to implementation of the LSIF Strategic Plan.</p>





## **SECTION II: PROMOTION OF HIGH QUALITY REGIONAL TRADING ARRANGEMENTS/FREE TRADE AGREEMENTS**

### **Results**

- CTI agreed that it would continue to play a lead role in fostering high-quality, comprehensive RTAs/FTAs that facilitate business activity. It identified a process to take forward the work in response to the instructions from Leaders and Ministers in the Busan Roadmap to focus on identifying and developing model measures for as many commonly accepted RTA and FTA chapters by 2008 as possible.
- There was a strong intersessional interest in this process and draft texts were tabled in 14 different areas – trade in goods; trade in services; technical barriers to trade; electronic commerce; transparency; government procurement; rules of origin and origin procedures; safeguards; investment; dispute settlement; cooperation; sanitary and phyto-sanitary measures; anti-dumping; and subsidies and countervailing duties. CTI progressed work in all areas concurrently, without prejudging which chapters could be completed first.
- CTI agreed on model measures for RTAs/FTAs in the following areas: trade in goods; technical barriers to trade; transparency; government procurement; cooperation; and dispute settlement. (see Appendix 1)
- CTI held a trade policy dialogue (TPD) on “Optimising the benefits of a free-trade agreement” on 11 September. The objective of the dialogue was to share experiences in negotiating RTA/FTA chapters.
- CTI noted several FTA/RTA capacity building workshops and seminars funded by APEC economies including workshops co-sponsored by Australia and Indonesia in Jakarta in December 2005 and Australia and Malaysia in Kuala Lumpur in January 2006.
- CTI welcomed ABAC’s offer to share the results of the analysis and “catalogue of RTAs/FTAs in the APEC Region” that it commissioned.
- A number of CTI sub-fora also conducted work on FTAs/RTAs as reflected in the table below:

### **Work Plan**

In 2006, CTI adopted a work plan for its activities on RTAs/FTAs which built on APEC achievements to date, including: the Best Practices, the SOM FTA Trade Policy Dialogues, APEC Model Measures on Trade Facilitation, the IAP FTA reporting template, and the Secretariat’s FTA database. The work plan includes the following elements:

- Identify areas of convergence and divergence between RTAs/FTAs and study features of RTA/FTA chapters, drawing on research by PECC and other relevant experts.
- Continue to exchange information on RTAs/FTAs and hold a trade policy dialogue at CTI3 in 2006 to share experiences in negotiating and implementing RTA/FTA chapters.
- Identify and develop model measures for commonly accepted RTA and FTA chapters to build on the model measures for trade facilitation in RTAs/FTAs adopted in 2005.
- Develop a mechanism for cataloguing existing RTAs and FTAs with respect to the Best Practices drawing, as appropriate, on relevant PECC work.
- Providing capacity building on RTAs and FTAs.
- Economies to report on steps taken to fulfill existing WTO RTA/FTA notification obligations.

*Table 2: Work of CTI Sub-fora related to RTAs and FTAs*

<b>SUB-FORA</b>	<b>WORK UNDERTAKEN</b>
<b>Market Access Group (MAG)</b>	<p>MAG held an advanced workshop on negotiating trade agreements in January in Kuala Lumpur.</p> <p>MAG held a workshop jointly with the Investment Experts Group (IEG) in February on the relationship between market access for goods and investment, particularly under conditions of preferential trade arrangements. The workshop explored issues in the design and implementation of investment agreements and examined issues in the liberalization of financial services in the context of RTAs/FTAs.</p> <p>MAG discussed model measures for RTAs/FTAs on trade in goods.</p> <p>MAG to hold a workshop on approaches to tariff issues and trade remedies in free trade agreements in December in Indonesia.</p>
<b>Investment Experts Group (IEG)</b>	<p>IEG undertook a review of the investment provisions of current sub-regional arrangements, including RTAs and FTAs and BITs to identify core elements. Work would be carried forward to 2007 with a proposal to analyse the way in which these core elements assist in liberalising, protecting and facilitating investment in and between the Parties to the agreements and compare identified core elements with existing APEC investment instruments including the non-binding investment principles, menu of options and investment transparency standards.</p> <p>IEG held a Workshop on Non-discrimination Treatment in Investment Agreements in Xiamen, China. Member economy officials involved in the negotiation of investment chapters in RTAs and FTAs and BITs gained an enhanced knowledge of the core obligations of national treatment, MFN and fair and equitable treatment as they applied in APEC member economy investment agreements. This is an important step for capacity building and would help members to participate in a more informed way in the model measures discussion and the negotiation in RTAs/FTAs.</p>
<b>Intellectual Property Rights Experts Group (IPEG)</b>	<p>IPEG agreed to develop a matrix that would help share experiences in on RTAs/FTAs and linking existing RTA/FTA resources to APEC.</p>

## **SECTION III: TRADE FACILITATION**

### **Results**

- CTI reviewed implementation of APEC Trade Facilitation Action Plan (TFAP) and developed a framework to steer APEC's trade facilitation work beyond 2006. (This is outlined in the attached report to Ministers at Appendix 2).
- CTI commissioned an analytical assessment on the implementation of the TFAP as part of its review of the TFAP. The Executive Summary of this report is attached as Annex A to Appendix 2.
- CTI held a Public-Private Dialogue on Trade Facilitation (PPD/TF) on 23–24 May in Ho Chi Minh City, involving various stakeholders with a view to (i) communicating the outcomes of five years' implementation of APEC Trade Facilitation Action Plan (TFAP) to the APEC community and (ii) calling for inputs from the private sector to help define next steps for trade facilitation and build up public-private partnership in this area. (A copy of the report of the PPD/TF is at Appendix 3).
- CTI developed a framework for a new Trade Facilitation Action Plan (TFAP II) that includes provision for a greater focus on collective trade facilitation actions in APEC, to be presented to Ministers Responsible for Trade in July 2007.
- CTI endorsed a trade facilitation initiative on "Making Customs Forms Available in English" and agreed to forward it to SCCP and ECSG for incorporation in their respective work programs.
- CTI's SCCP is progressing a single window initiative to be led by a cross-fora APEC Single Window working group of technical and policy experts. A workshop will be held in 2007 to formulate a single window development plan.
- CTI endorsed an SCSC "Food Safety Cooperation Initiative" to promote capacity building to improve awareness of and compliance with international food standards to facilitate trade in food for APEC economies.

### **Work Plan**

In 2006, CTI adopted a work plan on trade facilitation and agreed on the following objectives:

Review and take actions to improve the business environment and strengthen APEC economies through:

- Reviewing the implementation of the TFAP;
- Working towards developing a work plan beyond 2006 (including capacity building);
- Identifying collective actions and priority areas to improve the business environment;
- Advancing the trade facilitation negotiations in the WTO; and
- Fostering a closer relationship with ABAC and the wider business community.

**Table 3: Work in response to CTI Priority: Trade Facilitation by Sub-forum**

<b><i>SUB-FORA</i></b>	<b><i>WORK UNDERTAKEN</i></b>
<b><i>Market Access Group (MAG)</i></b>	MAG held a joint session with the SCSC on 10 September 2006 to exchange views on their contributions to the APEC Food System.
<b><i>Group on Services (GOS)</i></b>	<p>GOS successfully completed the Menu of Options for Voluntary Liberalisation, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment (MOO).</p> <p>GOS reviewed the progress of the project on skill standardization for the nursing profession in a number of APEC economies being undertaken by Indonesia.</p> <p>GOS updated the database on service experts.</p> <p>GOS agreed to consider how to foster closer co-operation and synergy with the SME Working Group for the benefit of the SMEs in the region.</p>
<b><i>Sub-Committee on Standards and Conformance (SCSC)</i></b>	<p>SCSC completed the final report on the method and criteria for the assessment of effectiveness of SCSC Trade Facilitation CAP implementation.</p> <p>SCSC discussed how it could participate more actively in international standardization including ISO/TC 223 and IEC/TC 111 was conducted at the PASC SC and PASCXXIX Meetings in Hanoi and Cape town.</p> <p>SCSC started new voluntary standards alignment work on IEC standards for electrical equipment.</p> <p>SCSC conducted a case study and reported on effectiveness of the MRAs or similar mechanisms existing in Asia Pacific region.</p> <p>SCSC reviewed progress in implementation of its two pathfinders: Recognition Arrangement on Conformity Assessment for Electric and Electronic Equipment (EE MRA) and the APEC Sectoral Food MRA.</p> <p>SCSC conducted e-learning courses on the practical use of environmental product standards.</p> <p>SCSC held the 4th GRP Conference and the 6th Conference on Standards and Conformance in conjunction with SCSC2.</p> <p>SCSC organised a workshop on Food Safety Cooperation on 7 September 2006 in Da Nang, Viet Nam.</p> <p>SCSC's revised work plan for improving SME's access to standards and conformance information was endorsed for implementation.</p>

<b><i>SUB-FORA</i></b>	<b><i>WORK UNDERTAKEN</i></b>
<b><i>Sub-committee on Customs Procedures (SCCP)</i></b>	<p>SCCP completed its Shanghai Goal Final Report which provided qualitative examples of initiatives undertaken by SCCP Members to reduce trade transaction costs. This final report also links the trade facilitation examples of SCCP members with the priorities for customs administrations that have been identified by the APEC Business Advisory Council.</p> <p>SCCP coordinated two "national" workshops on TRS for China (August 2006) and PNG (October 2006). Workshops for Peru and the Philippines are scheduled for 2007. SCCP received new requests for workshops from Brunei Darussalam; China and Viet Nam.</p> <p>SCCP coordinated a workshop on HS Convention for Peru on 23–27 January 2006. Workshop for Malaysia is in preparation.</p> <p>SCCP to establish a cross- fora working group, comprising relevant individuals, to address current trade facilitation issues in APEC.</p> <p>SCCP agreed to a proposed single window initiative including the formation of an APEC Single Window working group of technical and policy experts to move the initiative forward. A workshop will be held in 2007 to formulate a development plan for progress the initiative.</p> <p>SCCP organizes the APEC Customs-Business Dialogue (ACBD) forum annually to enhance communication and strengthen cooperation between Customs and the trade industry through the active exchange between the two sectors. Participation of the private sector is encouraging, as a wide cross-section of representation from the trade is secured at each ACBD. Trade associations, multinational enterprises (MNEs) and the like have participated actively in the forum to share their concerns with customs officials.</p>
<b><i>Intellectual Property Rights Experts Group (IPEG)</i></b>	<p>IPEG conducted a survey on "Laws &amp; Best Practices of APEC member economies for examining nontraditional trademarks".</p> <p>IPEG implements an ongoing project to train personnel and produce resource materials on IP awareness in four APEC economies.</p> <p>IPEG implements a new project on "APEC IPR Public Education and Awareness Platform" endorsed for submission to the 1st BMC.</p>
<b><i>Competition Policy and Deregulation Group (CPDG)</i></b>	<p>The Competition Policy and Deregulation Group (CPDG) will continue to provide support, including capacity building activities to contribute to establishing a competitive environment in the APEC region as well as achieving progress towards free and open trade and investment in the following ways:</p> <ul style="list-style-type: none"> <li>• Implementing its 2005-2009 APEC Training Course on Competition which contributes to "APEC Principles to Enhance Competition and Regulatory Reform" and "Structural Reform" in APEC economies. This activity is focused and targeted at building capacity of staffs dealing with competition issues as well as competition related agencies in member economies.</li> <li>• Dissemination of the APEC-OECD integrated Checklist on Regulatory Reform (Checklist), a voluntary tool that member economies may use to evaluate their respective regulatory reform efforts, in accordance with APEC's principle of voluntarism.</li> </ul>

<i>SUB-FORA</i>	<i>WORK UNDERTAKEN</i>
<i>Government Procurement Experts Group (GPEG)</i>	<p>GPEG's focus is on the trade facilitation principles of transparency, communication and consultation, modernization and the use of new technology. The key GPEG document is the Non-Binding Principles (NBPs).</p> <p>GPEG has completed the revision of the NBPs. The structure of the NBPs has been streamlined to be more user-friendly and comprehensible.</p>
<i>Business Mobility Group (BMG)</i>	<p>BMG continued, through exchanging information, to assist in building economies' capacity to implement agreed standards, including for short and long term temporary entry for business people, including the APEC Business Travel Card and development of economy e-commerce arrangements.</p> <p>BMG (Australia) has rolled out to all participating economies (17 in total) a new, more robust and secure ABTC processing system. The new system will greatly assist economies' local ABTC processing operations and connections between economies. Training will be provided by Australia to all participating ABTC members by end 2006 to ensure a smooth transition.</p>
<i>Automotive Dialogue</i>	The Automotive Dialogue to implement Model Port Project in the Philippines.
<i>Chemical Dialogue</i>	<p>The Chemical Dialogue continued APEC advocacy on REACH.</p> <p>The Dialogue held a joint session with SCSC scheduled for SOM III.</p> <p>The Dialogue continued to monitor developments on international initiatives affecting chemicals, such as SAICM, and consider appropriate collective/individual advocacy to address industry concerns.</p> <p>The Dialogue continue to share information and raise awareness of other chemical regulatory initiatives (such as RoHS and PFOS) that have implications for the chemical industry.</p>
<i>Life Science Innovation Forum (LSIF)</i>	LSIF developed capacity building projects on the harmonization of standards and regulatory practices (ICH <i>"Quality By Design"</i> proposal), and regulatory practice convergence for life sciences products (proposal on <i>"Convergence of the Certificate of Pharmaceutical Product (CPP) usage practices and procedures in APEC"</i> ) and capacity building on Good Clinical Practices.

## **SECTION IV: TRANSPARENCY AND ANTI-CORRUPTION**

### **Results**

- CTI agreed on a set of templates to assess economies' implementation of the APEC General and Area-Specific Transparency Standards and agreed that economies will complete these templates by CTI2, 2007.
- CTI is exploring the development of a project with the World Bank on transparency and regulatory reform in the Asia Pacific Region.
- CTI has continued its dialogue with ABAC on transparency and will consider specific issues raised by ABAC as part of the broader exercise of assessing the implementation of the APEC Transparency Standards.
- CTI continues to look for opportunities to collaborate with the APEC Anti-corruption and Transparency Task Force.

### **Work Plan**

In February 2006, CTI adopted a work plan on transparency, and agreed on the following objectives:

- All economies to implement the Transparency Standards into domestic laws, regulations, procedures and administrative rulings of general application.
- Contribute as appropriate to the ***"Santiago Commitment to Fight Corruption and Ensure Transparency and the APEC Course of Action on Fighting Corruption and Ensuring Transparency (COA)"*** which develops and implements the COA, including through the APEC anti-corruption initiative "From Santiago to Seoul".
- CTI and its sub-fora's work on transparency to recognise the link between corruption and transparency and the need to work closely with the APEC Anti-Corruption and Transparency Experts' Task Force in order to ensure their work is mutually supportive and not duplicative of the Task Force. This commitment should be reflected in respective work programs.
- Follow "Transparency by 2005" strategy to ensure implementation.
  - Using economies' 2005 General and Area-Specific Transparency IAP submissions, develop and implement an APEC plan to assess economies' performance in incorporating the General and area-Specific Transparency Standards into their domestic legal regimes, with input from relevant stakeholders in the wider community.
  - The plan should address economies' possible need for assistance in drafting and obtaining passage of legislation to implement the Transparency Standards.
  - Consider updating the strategy to incorporate anti-corruption elements relevant to the work of the CTI.
- Use the APEC Geneva Caucus to transmit APEC's work on Transparency Standards to the WTO and explore the possibility of taking relevant initiatives in the WTO.
- Support transparency provisions in FTAs, RTAs and other initiatives and discuss transparency provisions in such arrangements.
- Communicate the benefits of transparency and the importance of the Transparency Standards better to the public.
- Identify capacity building needs and develop projects to assist member economies implement transparency commitments and anti-corruption initiatives.

- Develop a response to the ABAC document, "Private Sector Input of Issues of Key Importance to the Business Community in APEC Economies" which summarizes input received from the private sector in the Asia Pacific region on the issue of transparency.

**Table 4: Work in response to CTI Priority: Transparency and Anti-corruption by Sub-forum**

<b>SUB-FORA</b>	<b>WORK UNDERTAKEN</b>
<b>Market Access Group (MAG)</b>	<p>MAG members continued to update regularly their tariff data for inclusion in the WTO Integrated Database and the APEC Tariff Database.</p> <p>MAG ensured that its own operations are transparent by keeping the MAG website up to date, publishing MAG seminar, workshop and meeting documents on-line and contributing to APEC Secretariat publications.</p>
<b>Investment Experts Group (IEG)</b>	<p>IEG commenced revising and updating its <i>APEC Investment Guidebook</i> in consultation with ABAC for publication in early 2007. The revised <i>Guidebook</i> aims to give its business and government users improved access to relevant information about the investment climate in APEC member economies.</p>
<b>Sub-committee on Standards and Conformance (SCSC)</b>	<p>SCSC members shared experiences in implementing transparency standards and reviewed members' progress in implementing APEC transparency standards.</p>
<b>Sub-committee on Customs Procedures (SCCP)</b>	<p>SCCP updated and electronically published the compendium of "Customs-Business Partnership Programs" .</p> <p>SCCP finalized the 2006 Customs Blueprint to be published and distributed during the AMM.</p>
<b>Intellectual Property Rights Experts Group (IPEG)</b>	<p>IPEG continued to distribute information on IPEG activities and projects through the IPEG website: <a href="http://www.apecipeg.org/">http://www.apecipeg.org/</a></p>
<b>Competition Policy and Deregulation Group (CPDG)</b>	<p>CPDG will continue to update the APEC Competition Policy and Law Database periodically on the basis of information provided by member economies.</p> <p>CPDG will promote stock taking of information, information/ experience sharing and discussion amongst its members through presentation and reporting on updates and development of members' competition policy and law as well as efforts in regulatory reform.</p>
<b>Government Procurement Experts Group (GPEG)</b>	<p>GPEG successfully hosted a Seminar on Transparency in Government Procurement and e-Procurement on 5-6 September 2006.</p> <p>GPEG members continued to share experiences on their fight against corruption in Government Procurement.</p> <p>GPEG discussed issues of environmentally friendly government procurement.</p>



<i>SUB-FORA</i>	<i>WORK UNDERTAKEN</i>
<i>Business Mobility Group (BMG)</i>	<p>BMG has agreed standards for both Professional Service to ensure the integrity of Immigration officials and processes, and for Transparency; the latter as directed by Leaders in 2003.</p> <p>BMG agreed to form a BMG Professional Service working group to oversee a review of BMG's Standards document and to make recommendations on evaluation strategies and future steps.</p> <p>BMG's Transparency standards are currently being addressed in respect of those standards relevant to the accessibility and transparency of public information.</p> <p>BMG agreed to the implementation of enhancements to the online <i>Business Travel Handbook</i> and the BMG website in line with the findings of TILF funded Temporary Entry Review, to improve transparency and accessibility of economies' public immigration information, in accordance with agreed BMG Transparency standards.</p>
<i>SELI</i>	<p>SELI held a Seminar on Fighting Corruption and Ensuring Transparency in Ha Noi and Manila on 12–13 January and 16–17 January, respectively. This self-funded capacity building project was aimed at improving technical expertise of officials in fighting corruption and ensuring transparency.</p>
<i>Chemical Dialogue</i>	<p>The Dialogue continued to keep its website updated with web links to public and private sector websites dealing with chemical laws and regulations.</p> <p>In line with APEC transparency principles, the Dialogue continued to advocate greater transparency in regulatory procedures affecting chemicals, both within APEC and outside.</p> <p>The Dialogue continued to examine the interest of APEC's chemical sector in potential WTO/NAMA initiatives promoting greater transparency.</p>
<i>Life Sciences Innovation Forum (LSIF)</i>	<p>LSIF continued to discuss open, transparent and consultative rule making procedures, policy and regulatory review mechanisms in its harmonization group.</p>



## ***SECTION V: DIGITAL ECONOMY AND STRENGTHENING INTELLECTUAL PROPERTY RIGHTS***

### ***Results***

- CTI continues to compile information on IPR websites and IPR enforcement points of contact in APEC economies.
- CTI recommend to Ministers that the set of technology choice principles be adopted as a Pathfinder Initiative – (Appendix 4)
- CTI agreed to two sets of model guidelines under the APEC Anti-counterfeiting and Piracy Initiative:
  - effective public awareness campaigns on intellectual property rights; and
  - to secure supply chains against counterfeit and pirated goods (Appendix 5 and 6)
- CTI supported inclusion of text in 2006 AELM on Preventing Illegal Use of Software and other Copyright Materials by Government Entities.

### ***Work Plan***

In February 2006, CTI adopted a clear work plan on pathfinder initiatives, and agreed on the following objectives:

#### ***Digital Economy***

- Implement the Leaders' Digital Economy Statement according to the 2003 "Next Steps" paper.
- Take a collective leadership role on digital economy issues in the WTO as called for in the Leaders' Digital Statement.
- Develop a set of technology choice principles, incorporating the various views of member economies, in response to the call of the Ministers in 2005.
- Implement the 2003 Future Work paper and the Bangkok Leaders Declaration calling for economies to allow technology choice.

#### ***Strengthening Intellectual Property Rights***

- Take concrete steps to reduce piracy, trade in counterfeit goods and online piracy, and increase cooperation and capacity building, including further steps that build on the APEC Anti-Counterfeiting and Piracy Initiative.
- Hold training seminars on intellectual property enforcement.
- Enhance capacity-building and public awareness.

**Table 5: Work in response to CTI Priority–Digital Economy and strengthening IPRs by Sub-forum**

<b>SUB-FORA</b>	<b>WORK UNDERTAKEN</b>
<b>Sub-committee on Customs Procedures (SCCP)</b>	SCCP completed compiling an inventory of the IPR enforcement activities of SCCP Members. The inventory is intended as a reference tool for customs administrations and businesses in the APEC region.
<b>Intellectual Property Rights Experts Group (IPEG)</b>	<p>Develop a good understanding of the Model Guidelines in relation to the APEC Anti-counterfeiting and Piracy Initiative, to aid in its utilization / implementation. Obtain inputs from economies as regards how their current regime compares with the Model Guidelines</p> <p>IPEG held a Workshop on IP for SMEs and MEs in Ha Noi, Viet Nam on 23–24 February 2006.</p> <p>APEC-IPEG Workshop on Effective Practices in the Border Enforcement of Intellectual Property Rights held in Los Angeles, USA on 27–29 September 2006.</p> <p>IPEG organized a Workshop on Effective Strategies for IPR Public Education – a component under the APEC IPR Public Education and Awareness Platform Project (Phase I) in Hong Kong, China on 8–10 November 2006.</p>
<b>Government Procurement Experts Group (GPEG)</b>	GPEG and the IPEG have agreed to share information on areas of mutual interest and explore areas of cooperation on this issue.
<b>Automotive Dialogue</b>	The Automotive Dialogue adopted a best practices paper on IPR issues in the automotive sector in response to concerns over the importance of addressing IPR infringements in automotive sector
<b>Chemical Dialogue</b>	Building off the Chemical Dialogue's previous NTM work on concerns about the treatment of confidential business information, the Dialogue will develop an initiative that both addresses concerns of the chemical industry and contributes to APEC's overall effort.
<b>Life Sciences Innovation Forum (LSIF)</b>	LSIF developed a training workshop series on combating counterfeit medicines and medical devices proposal under the <b><i>"Anti-Counterfeiting And Piracy Training For Medicines And Medical Devices"</i></b> .

## **SECTION VI: INVESTMENT**

CTI, through its Investment Experts Group (IEG) began the year with clear guidance from Ministers and Leaders in the Busan Business Agenda to develop an expanded work program on investment liberalisation and facilitation that principally addressed three important objectives – the need to assist developing economies understand the impact of investment liberalisation; the need to work with business on ways to improve the regional investment climate; and arising from these objectives identifying capacity building needs. IEG has now developed an expanded work program in the form of a mid-term strategic framework as an early harvest deliverable for the Action Plan to implement the Busan Roadmap.

### **Results**

- Completed stage 1 of a multi-stage project, “Enhancing Investment Liberalisation in the APEC Region – Reducing Barriers to Investment across APEC to Lift Growth and Lower Poverty”, which involved a statistical analysis on investment flows in the region to assist in assessing the impact of barriers to foreign direct investment.
- Discussion of the role and usefulness of existing APEC investment instruments notably the Non-Binding Investment Principles, the Menu of Options for Investment Liberalisation and Business facilitation and the transparency Standards on Investment
- a joint seminar with the OECD in Hoi An, Viet Nam in September 2006 on the OECD's Policy Framework for Investment (PFI) involving business which discussed the PFI and how it might be used as a tool for evaluation and dialogue by donors and in promoting private sector development in APEC developing member economies.
- APEC Seminar on Experiences of some APEC Economies in Attracting Investment from Trans-national Corporations (TNCs) held in Ho Chi Minh City on 19–20 May 2006.
- APEC-UNCTAD Study on Investor-State dispute settlement in the APEC region.
- Workshop on Non-discrimination Treatment in Investment Agreements held in Xiamen, China on 1–3 September 2006.
- Regional seminar to discuss results of APEC-UNCTAD Study on Investor-state dispute settlement in the APEC region, held in Mexico City in October 2006.
- APEC Investment Forum to be hosted by Vietnam in Ha Noi on 15-16 November 2006, back-to-back with the CEO Summit. The Forum provides a platform for sharing of latest information on investment policy of member economies as well as providing investment opportunities for investors

### **Work Plan**

In February 2006, the IEG adopted 2006/07 work program whose main elements include:

#### Transparency

- Continue to update the APEC Investment Guidebook. The aim is to publish the revised guidebook in early 2007.
- Hold discussion in IEG on the present system for reporting on implementation of the Investment Transparency Standards.

### Policy Dialogue

- Consider ABAC's recommendations to Leaders and any action arising out of them.
- Invite ABAC attendance at IEG meetings, planned workshops, seminars and investment events in 2006.
- Continue dialogue with UNCTAD on emerging issues in the area of international investment agreements:
- Continue dialogue with OECD in areas of mutual interest including investment for development and emerging issues in international investment agreements;
- Continue to hold policy discussions in IEG meetings including recent investment trends, changes to member economies investment regimes and other emerging issues.

### Study and evaluation

- Further consideration of the ABAC proposal to update and clarify the APEC Non-Binding Investment Principles in 2006.
- Undertake stage one of project "Enhancing Investment Liberalization and Facilitation in the APEC region" aimed at measuring barriers to local and foreign investment across the APEC region. The focus will be an issue by issue analysis. The study will aim to measure quantitatively existing barriers. A subsequent study for 2007 (separately funded) will seek to establish the economic effects of removing barriers to investment across the APEC region.
- Commence the review of the investment provisions of current sub-regional arrangements, including RTAs and FTAs and BITs and identify core elements.
- Consider the possibilities of developing model measures for an investment chapter of RTA/FTA in accordance with the direction from CTI.
- In the context of the outcomes of the 2005 Mid-term Stocktake of the Bogor Goals, specifically the Busan Business Agenda, seek to develop a better understanding of how to further the investment liberalization and facilitation objectives.
- Continue to update the List of Analytical Studies on Foreign Direct Investment and developments in International Investment Agreements.

### Investment promotion and facilitation

- Implement the project proposal by Viet Nam to hold a regional workshop in May 2006 about the experience of member economies in attracting investment from transnational corporations.
- Investment Forum in November 2006.

### Cooperation with other APEC sub-fora

- Work with GOS to develop a response to requests from ABAC to undertake work in the area of financial services including using their two checklists to improve the quality of services offers in the WTO and FTAs and to address impediments to FDI in financial services.
- With MAG, in February 2006, hold a joint workshop on certain design and implementation issues in the context of preferential trade agreements.

## **SECTION VII: INDIVIDUAL ACTION PLAN, COLLECTIVE ACTIONS, PATHFINDER APPROACH AND INDUSTRY DIALOGUES**

### ***Individual Action Plans***

CTI developed a menu of options approach in which CTI and its sub-fora can add value to the IAP Peer Review through closer involvement in discussion of technical areas falling within their responsibilities.

- CTI and sub-fora may provide factual comments/questions regarding the IAPs of the economy under review within 8 weeks of the submission of IAPs.
- CTI and sub-fora may discuss relevant sections of the Final Study Report at their session immediately preceding the Peer Review (SOM I or SOM III). This discussion may include a voluntary question-and-answer session with a representative of the economy under review. (Questions to be raised in the meeting should be provided in advance.) In this case, a short written summary of the discussion should be tabled at the Peer Review Session and included in the Final Report.
- CTI and sub-fora may collate comments and questions on relevant sections of the Final Study Report for the CTI Chair or sub-forum Convenor to present at the Final Review Session.
- In the case that a particular sub-forum does not meet immediately prior to the Peer Review Session, the Convenor may collect comments and questions from economy representatives and replies from the economy under review for conveying to the Moderator.

### ***Collective Action Plans***

In 2006, CTI and its sub-fora continued to implement, revise and enhance work on the Collective Action Plans (CAPs), making continued and significant progress towards achieving the OAA objectives in pursuit of the Bogor Goals. See **Appendix 7** for the revised CAPs for 2006.

Many of these revisions/enhancements were implemented in response to the priorities set by Leaders and Ministers, particularly the directive to produce tangible deliverables in CAPs that are directly relevant to businesses and that can bring credible outcomes on trade in the region. The revised CAPs also increase the transparency of trade and investment policies, lower transaction costs of cross-border trade, stimulate competition and result in greater certainty and predictability of the operating environment for the business community.

Some highlights from sub-fora collective action plans:

The **Market Access Group (MAG)** continued to progress initiatives on tariff and non-tariff measures that are designed to secure outcomes for business through further trade and investment liberalization and facilitation. Specific deliverables include: the successful conclusion of advance workshop on negotiating free trade agreements; MAG/IEG workshop on relationship between market access and investment under conditions of preferential trade arrangements; and workshop on approaches to tariff issues and trade remedies in free trade agreements.

For 2006, the **Group on Services (GOS)** embarked on a work program that was dual focused, that is, market access and rules-making. A workshop covering all the topics in the WTO rules negotiations on services including domestic regulations, subsidies, government procurement and emergency safeguards measures was held in Kunming, China on 28–29 June. GOS reviewed its operations and noted that the group had weighted too much towards the DDA in the past. The group agreed to broaden its mandate to include undertaking activities aimed at a better understanding of the role of services in an economy.

The **Investment Experts' Group (IEG)** strengthened policy dialogue on investment-related issues both internally amongst members as well as other CTI sub-fora such as MAG and GOS and externally with international organizations such as the OECD and UNCTAD. It developed an expanded work program in the form of a mid-term strategic framework as a direct input into the action plan to implement the Busan Roadmap to Bogor

Goals. (see details in Section VI). IEG undertook a review of its operations which concluded that IEG's work remains relevant and contributes to the achievement of CTI and SOM priorities. The review also resulted in the new terms of reference for the IEG that reflects current APEC objectives, clarify IEG's role and help shape its work program. The group will continue to explore ways to develop a more systemic approach to identifying priorities and practical areas of work where it can add value.

The work program of the ***Sub-Committee on Standards and Conformance (SCSC)*** for 2006 continued to be built around the following main areas: Alignment with International Standards and active participation in international standardization; Adoption of good regulatory practices; Recognition of Conformity Assessment; Cooperation in Technical Infrastructure Development; and Recognition of Conformity Assessment in the Voluntary Sector. SCSC undertook a comprehensive review of its trade facilitation CAP. It also evaluated progress in the implementation of the two pathfinder initiatives under its purview - Mutual Recognition Arrangement on Conformity Assessment for Electric and Electronic Equipment (EE MRA) and the APEC Sectoral Food MRA.

The ***Sub-Committee on Customs Procedures (SCCP)*** continued to pursue projects for regional enhancement of harmonized, standardized and simplified custom procedures; trade facilitation; enforcement; and development of human resources in coordination with other APEC working groups and APEC private sector groups, WCO and other Customs fora. It completed a multi-year technical assistance programs aimed at providing assistance to customs administrations in implementing customs-related WTO Agreements. SCCP coordinated two "national" workshops on TRS for China (August 2006) and PNG (October 2006). Workshops for Peru and the Philippines are scheduled for 2007. SCCP received new requests for workshops from Brunei Darussalam; Chile and Viet Nam. SCCP coordinated a workshop on HS Convention for Peru on 23–27 January 2006. Workshop for Malaysia is in preparation. The Sub-committee agreed to a proposed single window initiative including the formation of an APEC Single Window working group of technical and policy experts to move the initiative forward. A workshop will be held in 2007 to formulate a development plan for progress the initiative.

The ***Intellectual Property Rights Experts Group (IPEG)*** focused work during its two meetings in 2006 on several key issues. At the first meeting in Hanoi in February 2006, the IPEG discussed developments in the areas of geographical indications; traditional knowledge; the APEC Anti-Counterfeiting and Piracy Initiative and its 3 existing Model Guidelines and the 2 proposed Guidelines on Public Awareness Activities and Supply Chains. The IPEG also added a new discussion item on RTAs/FTAs in its Agenda and updated information on enforcement-related activities. At IPEG's second meeting in Guadalajara, Mexico in August, there was intensive discussion on the existing 3 Model Guidelines and their reporting templates, as well as, proposed language on an additional draft Guideline on Public Awareness Activities. Three IPEG projects were endorsed for 2007 funding, and 3 projects from other APEC fora (LSIF, SMEWG and the Automotive Dialogue) were submitted for IPEG comment.

The ***Competition Policy and Deregulation Group (CPDG)*** continued to promote dialogue, information exchange, analysis and experience sharing in the area of competition policy, competition laws, and their enforcement, as well as with regard to the relationship of competition policy and competition laws with policies related to regulatory reform and trade and investment. Following the endorsement of the Integrated Checklist ***on Regulatory Reform (Checklist)*** last year, the group explored ways to disseminate the Checklist. It worked on developing a program that would assist economies in deepening their understanding about utilizing the Checklist. The group also initiated new work to report or update developments of competition policy and law and regulatory reform in a common format. Such reports/updates would also contribute to enhancing transparency in the areas of enforcement of competition laws.

The 2006 work program of the ***Government Procurement Experts Group (GPEG)*** centered on the review and renewal of the Non-Binding Principles (NBPs) on Government Procurement (GP) that were adopted in 1999. The Reviewed Non-Binding Principles (NBPs) on Government Procurement incorporating APEC GP transparency standards was endorsed. (A copy is attached as Appendix 8) The Reviewed NBPs were re-packaged and re-structured to make it user and business friendly while not diminishing the non-binding nature of the document. GPEG held a successful APEC Seminar on Transparency in Procurement and e-Procurement (CTI 29/2006T) in Ha Noi on 5–6 September, prior to the GPEG meeting. The seminar provided the opportunity for policymakers and representatives from implementing agencies of developing economies to review their own policies on transparency in procurement from new angles and perspectives. Comparison of respective procurement policies with regard to transparency and progress in developing e-procurement systems were also addressed.



The ***Business Mobility Group (BMG)***, formerly the ***Informal Experts Group on Mobility of Business People (IEGBM)*** continued work on initiatives to facilitate business travel while ensuring passenger safety and border security. In 2006, the group noted the success of the Regional Movement Alert System (RMAS) pilot which identifies the attempted use of lost and stolen passports between Australia, the United States and New Zealand. RMAS is now ready to move to a fully operational system and the BMG agreed to the multi-lateral framework, which will underpin the governance and expansion of RMAS in the region. BMG also conducted two APEC-funded workshops to examine biometric technologies and their use in machine readable passports and associated border systems. While all APEC economies have implemented or are considering implementing some forms of biometric technologies, members see considerable value in sharing information and promoting effective use of such technologies. Members continued to encourage the four remaining non-participating economies to join the APEC Business Travel Card (ABTC) scheme and to consider possible new arrangements to facilitate their participation. Members agreed to monitor and improve, where possible, the operation of the scheme and their service to cardholders and potential applications. With the roll-out of a new more robust and secure ABTC processing system in 2006, wider promotion will be undertaken within the region. Work to improve the transparency and accessibility of economies' public immigration information, including via the BMG website was also progressed and members agreed to form a "Professional Service working group" that will review the BMG's agreed Professional Service Standards and make recommendations on evaluation strategies and further action in 2007.

The ***WTO Capacity Building Group (WCBG)*** completed its work in response to Ministers' instructions to evaluate APEC's past capacity building activities in order to improve the effectiveness of future activities. As part of the wider APEC reform exercise, the group also reviewed its TORs and recommended that CTI re-focus the mandate of the Group rather than simply asking it to address gaps in achieving its current mandate. In this connection, as of 2007, the WCBG will be re-constituted as a FOTC so that WTO capacity-building activities will be addressed in the CTI.

The ***Strengthening Economic Legal Infrastructure Coordinating Group (SELI)*** discussed projects and measures for strengthening economic legal infrastructure in areas such as capacity and institutional building, corporate law, and competition policy and corporate law. The work program continued to focus on targeted and tailor-made capacity building projects, such as training seminars, workshops, fellowships and exchanges for professionals, in a range of areas. SELI reviewed its operations and developed a new terms reference. It concluded that SELI's work remained relevant and contributes to achievement of CTI and SOM priorities. SELI will address structural reform issues in collaboration with other relevant APEC fora, such as EC, CPDG, and Finance Ministers Process, international institutions, and business sector like ABAC. In this regard, SELI will conduct two seminars in close conjunction with CPDG in 2007 to support this work.

### ***Pathfinder Approach***

Taking note of the Busan Roadmap guidance that the pathfinder approach remains an important but under-utilized tool progressing TILF issues in APEC, CTI agreed that it would together with its sub-fora identify issues that could be progressed effectively through the use of this approach. While it was important to look for opportunities to develop new pathfinder initiatives, CTI also recognized that it was equally important that APEC ensure that its existing pathfinders were progressing in a sustained way. CTI agreed that it would be timely for it to undertake a review of all existing TILF-related pathfinders to ensure that they are being progressed and/or implemented in a timely manner. A Framework for Evaluating Pathfinders (See Appendix 9) was developed in this regard for use by fora to review their on-going pathfinders as part of their work program in order for the Committee to undertake a comprehensive assessment of all its pathfinders in 2007.

CTI agreed to recommend to Ministers that the set of technology choice principles be adopted as a Pathfinder Initiative. (see Appendix 4)

## ***Industry Dialogues***

CTI recognizes the importance of public-private sector dialogues for improving the mutual understanding of key imperatives for the development of future policy and for enhancing the competitiveness of the relevant industries. It continues to support SOM in overseeing the developments in the Automotive, Chemical and Non-Ferrous Metals Dialogues and in the Life Sciences Innovation Forum.

### ***1. Automotive Dialogue***

The Eighth Automotive Dialogue was held in Bali, Indonesia from 16-18 May 2006. The Dialogue conducted a stocktaking review of its activities as an industry-government forum since 1999. The outcome of review provided guidance and leadership for future Dialogue meetings. The Automotive Dialogue model has proven very successful, as specifically recognized by Leaders and Ministers over the years, and now been replicated by other sectors in APEC.

The Dialogue members renewed their strong support for the WTO DDA and the Dialogue urged the leadership of APEC to continue to go for the successful conclusion of the DDA as their highest priority. The Dialogue has also presented specific recommendations, strong encouragement and offers of technical support, and its views and support for the WTO Doha Development Agenda. The Dialogue's positive work in this regard was noted by Ministers Responsible for Trade (MRT) when they met in June in Ho Chi Minh City. MRT encouraged the group to continue working with the Global Automotive Industry Dialogue (GAID) which seeks solutions to address non-tariff barriers of particular concern to the automotive sector.

The Dialogue adopted a best practices paper on IPR issues in the automotive sector in response to concerns over the importance of addressing IPR infringements in automotive sector.

### ***2. Chemical Dialogue***

The ***Fifth Chemical Dialogue*** was held in May 2006, with participants from 16 APEC economies. The Chemical Dialogue continues to coordinate the efforts of APEC Economies to implement the Globally Harmonized System of Classification and Labeling. The 2002 target of GHS implementation in APEC by 2006 will have to be revised and Ministers are expected to set a new goal of 2008. Economies continue to make excellent progress. APEC is conducting a practical GHS implementation workshop in September 2006 in Bangkok, and members continue to make important leadership contributions to UN efforts to promote global GHS implementation.

The Chemical Dialogue discussions of product related environmental regulations have broadened to cover UN activities, and new rule systems that may affect industry as well as its work on the EU system of Registration, Evaluation and Authorization of Chemicals (REACH). Dialogue members have shown interest in the UN Strategic Approach to International Chemicals Management (SAICM) and the Dialogue encourages Economies to actively engage as SAICM takes shape in order to ensure that it will deliver the desired environmental benefits in a way that is effective and not unnecessarily burdensome. The group is also discussing the EU's directive on Restrictions on Hazardous Substances, and examining other similar proposals being considered by several APEC Economies. As REACH implementation now seems inevitable the group is examining potential critical challenges that Economies and industry will face in trying to comply with the new EU rules.

Looking ahead, the Chemical Dialogue expects to explore possible new work in the coming year on topics such as a simplified Rules of Origin methodology to be applied to chemicals, and possible work on capacity building of Economies' emergency preparedness and response capability in the event chemical incidents.

### ***3. Non-Ferrous Metals Dialogue***

The Non-Ferrous Metals Dialogue was established in 2004 to bring together representatives of government and private sector to promote cooperation and interaction in the area of trade-related regulatory policy and facilitate the non-ferrous metals trade, competitiveness and sustainable development of the industry in the Asia-Pacific region. The Dialogue had its 2nd meeting on 22-23 May. The Dialogue adopted a work plan for 2006 and beyond which was developed on the basis of responses to the questionnaires on industry' recommendations. Participants produced a clear cut definition of non-ferrous metals. The Dialogue agreed to hold their next

meeting in Australia in 2007 and to organize a business seminar prior to the meeting to provide an opportunity for industry representatives to have greater interaction with government officials on NFMD issues.

#### **4. *Life Sciences Innovation Forum***

The Life Science Innovation Forum's core mandate was established by Leaders in 2002 to develop a strategic plan for the entire life sciences innovation value chain, including as a priority addressing the challenges of risk detection and prevention, treatment and cure of the communicable and life-style diseases which affect people in the APEC region. The strategic plan was endorsed by the AMM and AELM in Santiago in November 2004. Leaders requested that the forum develop a road map for implementation. The LSIF has since met for the 4th time in Hoi An, Viet Nam on 6–7 September 2006.

LSIF IV discussed possible recommendations under the theme “sustainable health systems to support and promote innovation”. Draft recommendations were finalized intersessionally for submission to Ministers and Leaders in November 2006. A number of cross-cutting issues were identified, which reinforced the need for a holistic approach to key challenges posed by continuing problem of communicable diseases in the region; emerging pandemic of chronic diseases and ageing demographics. The forum recommended that LSIF experts meet with finance and health officials to discuss the role of innovation and effective health resource allocation to help meet these challenges, including a possible shift to early detection, prevention and early intervention. The forum also advocated the establishment of public-private partnerships to examine enablers of investment in innovation and disease prevention, management and wellness pilot projects to address the needs of vulnerable populations.



## **SECTION VIII: CTI CONTRIBUTION TO APEC-WIDE INITIATIVES AND SOM PRIORITIES**

In 2006, CTI undertook work in response to a number of APEC-wide priorities. While some of this work is reflected in earlier sections of this report, this chapter provides an overview of our activities in five areas that respond to APEC-wide priorities: Implementation of Busan Roadmap to the Bogor goals; Implementation of Leaders' Security Commitments; APEC Reform, Implementation of the APEC Framework for the Integration of Gender, and Economic and Technical Cooperation (ECOTECH).

### **Implementation of the Busan Roadmap to the Bogor Goals**

CTI's work program for 2006 was framed by the Busan Roadmap to the Bogor Goals endorsed by APEC Leaders in November last year. Five small groups of "friends of the Chair", comprising between 5-14 economies, were established to develop work plans with time frames, objectives and deliverables in 5 key areas: Support for the Multilateral Trading System; RTAs/FTAs; Trade Facilitation; Transparency and Anti-corruption; and Digital Economy and Strengthening IPR. These work plans also included capacity building activities designed to assist developing economies.

The Committee coordinated and collated inputs from its membership and from sub-fora as contributions to development of an action plan to implement the Busan Roadmap. The CTI contribution included a schedule of CTI activities that support the Action Plan to Implement the Busan Roadmap.

### **Implementation of Leaders' Security Commitments**

As was the case last year, two CTI sub-fora, the SCCP and the BMG, played key role in supporting APEC's wider security agenda. In addition, our trade facilitation work plan includes the area of trade and security, following-up on the Santiago Initiative.

**Table 6: Work of CTI Sub-fora related to the Leaders' Security Commitments**

<b>SUB-FORA</b>	<b>WORK UNDERTAKEN</b>
<b>Sub-committee on Customs Procedures (SCCP)</b>	SCCP held a workshop on the APEC Framework for Secure Trade, focusing on the authorised economic operator (AEO) concept in Da Nang, Viet Nam on 6 September. The workshop explored the recently adopted WCO AEO guidance document, and represented the first major multilateral forum for detailed consideration of the AEO supply chain security approach that supports the <i>WCO Framework of Standards and APEC Framework for Secure Trade</i> .
<b>Business Mobility Group (BMG)</b>	BMG enhances human and trade security by implementing <i>Secure Trade in the APEC Region (STAR) initiatives</i> to protect people in transit and agreed standards through capacity building projects including: <ul style="list-style-type: none"> <li>• completion of a successful pilot of the multilateral Regional Movement Alert system (RMAS, formerly known as the Regional Movement Alert List) between the United States, New Zealand and Australia.</li> <li>• endorsement on the final Multilateral Framework (MLF), Model Economy MOU and Management Board Governance Charter for RMAS.</li> <li>• successful completion of the TILF funded capacity building project on biometric technology in travel documents and border systems (CTI 30/2006T) via the conduct of two capacity building events; a seminar in Ho Chi Minh on 22-23</li> </ul>

<b><i>SUB-FORA</i></b>	<b><i>WORK UNDERTAKEN</i></b>
<b><i>(Cont'd) Business Mobility Group (BMG)</i></b>	<p>May attended by 54 experts from 19 economies and a workshop in July 2006 in Hong Kong (China) attended by 45 experts from 18 economies. These events aimed to assist economies accelerate the introduction of biometric-enabled passports and other Machine Readable Travel Documents (MRTDs). These TILF funded events drew together biometric passport and border control experts and aims to build the capacity of APEC economies to accelerate, on a best endeavours basis, work towards adopting international standards on biometrically enhanced passports and supporting infrastructure to help facilitate the safe, secure movement of business people across the APEC region;</p> <p>The majority of BMG members reported they contribute data to Interpol's International Criminal and Police Organisation (ICPO) database of lost and stolen travel documents, in line with the BMG's agreement to contribute data by end 2006, on a best endeavours basis.</p>

### ***Contribution to APEC's Work on Structural Reform***

Structural reform is one of the elements in the Busan Business Agenda. While the overall responsibility for overseeing APEC's structural reform work was transferred in 2006 to the newly restructured Economic Committee (EC), CTI had two sub-fora-- the CPDG and SELI--which also undertake work in this area. The Committee agreed that the CPDG and SELI will continue to implement their structural-reform related work plans, in close cooperation with the EC. The CTI Chair, together with SELI and CPDG Convenors will consult with the EC Chair intersessionally on the reporting arrangements and on the future handling of competition policy and economic legal infrastructure issues.

***Table 7: Work of CTI Sub-fora in response to Structural Reform Action Plan***

<b><i>SUB-FORA</i></b>	<b><i>WORK UNDERTAKEN</i></b>
<b><i>Competition Policy and Deregulation Group (CPDG)</i></b>	<p>CPDG continued exploring ways to disseminate the Checklist, and to best assist economies in deepening their understanding and utilization of Integrated Checklist on Regulatory Reform (Checklist) to assess their respective regulatory reform efforts. The organization of an APEC Seminar on Utilizing the "APEC-OECD Integrated Checklist on Regulatory Reform" is being considered.</p> <p>CPDG continued to implement capacity building activities, through a new series of training programs under the 5-year (2005-2009) project, entitled "APEC Training Course on Competition Policy". The course will continue to contribute to the "APEC Principles to Enhance Competition and Regulatory Reform". The second training course was held in Thailand on 8-10 August under the themes of "Regulation on Business Combination" and "Competition Advocacy". The 3rd training course is being planned to take place in Malaysia.</p>

<b><i>SUB-FORA</i></b>	<b><i>WORK UNDERTAKEN</i></b>
<b><i>Strengthening Economic Legal Infrastructure Coordinating Group (SELI)</i></b>	<p>SELI continued to provide targeted and tailor-made capacity building projects, such as training seminars, workshops, fellowships and exchanges for professionals, in a wide range of areas as below:</p> <ul style="list-style-type: none"> <li>- Seminar on Fighting Corruption and Ensuring Transparency held in Ha Noi, Viet Nam and in Manila, the Philippines on 12–13 January and 16–17 January, respectively. (self-funded)</li> <li>- Workshops on Strengthening International Private Commercial Arbitration and Dispute Resolution held in Bangkok, Thailand and Beijing, China on 15–6 June and 19–20 June respectively. (self-funded)</li> <li>- The 5-year APEC Training Course on Competition Policy has been jointly implemented with CPDG. The Second Training Course on Competition Policy was held in Bangkok, Thailand on 8–10 August, 2006 under the themes of “Regulation of Business Combination” and “Competition Advocacy” .</li> </ul>

### ***Implementation of the APEC Framework for the Integration of Gender***

CTI shared the results of a survey undertaken in Committee that examined APEC economies’ policies supporting women exporters with the Gender Focal Point Network (GFPN) and the Trade Promotion Working Group to explore the possibility of working collaboratively on future activities in the area. The survey had been designed as an outcome of a study entitled “Supporting Potential Women Exporters” commissioned by the CTI in 2004 to explore the links between the CTI’s activities on trade-related capacity building and trade facilitation with the needs of small women-owned or led exporting businesses. The survey reviewed existing programs that support and promote the involvement of women producers in international trade, and also identified “good practices” in gender-aware export development programs.

An APEC Seminar on Supporting and Enhancing Capacity for Women Exporters was held in Ha Noi on 22–23 September. The Seminar was a follow-up to the CTI’s project named Supporting Potential Women Exporters (CTI 34/2003T), which aimed at assisting CTI to connect its activities on trade related capacity building and trade facilitation with women-owned enterprises and led businesses in order to expand trade. The objective of follow-up Seminar aims at:

- Providing opportunity for member economies to exchange experiences in supporting women exporters;
- Providing opportunity for policy makers and experts in this field to work out best practices on promoting the involvement of women producers in international trade;
- Contributing to APEC’s work of enhancing gender integration;
- Raising awareness of member economies of the need to develop gender-aware export development programs; and
- Finding out opportunities for cooperation between APEC and relevant international organizations involving in supporting women exporters.

### ***APEC Reform***

CTI was tasked by SOM to review its terms of reference and those of its sub-fora by the end of 2006. Members agreed that as part of this process there was value in reviewing the performance of CTI sub-fora and conducting an assessment of the relevance of their work to CTI’s priorities and the effectiveness of their work, with a view to, inter alia, revising terms of reference and making adjustments to the sub-fora structure. As a result of that review, one CTI sub-fora, the WTO Capacity Building Group was abolished and several others will remain under close review. The role of SELI and CPDG following changes to the mandate of the Economic Committee was also discussed (see above under “CTI’s contribution to APEC’s Work on Structural Reform”)

CTI discussed and identified some of the issues and challenges it and its sub-groups faced. It will continue to explore ways to improve its operations and strengthen its relationship with its sub-fora and other APEC groups.

(A set of revised TORs are at Appendix 10)

### ***Economic and Technical Cooperation***

CTI continues to oversee and implement more than 50 projects/activities per year that would prepare and assist APEC member economies to facilitate and liberalize trade. They take the form of capacity building activities to provide member economies with the needed tools to (i) implement and benefit from WTO agreements; (ii) better understand economies' views and concerns in order to participate effectively in multilateral/international trade and investment negotiations; (iii) contribute towards the improved functioning of the multilateral trading system as well as the strengthening of trade-related institutional and legal frameworks; and (iv) implement measures that facilitate trade. While these activities help CTI to advance TILF priorities towards achieving the "Bogor Goals", they also respond to at least one of the ECOTECH priority themes of the 1996 Manila Framework for Strengthening Economic Cooperation and Development as well as the APEC-wide ECOTECH priority, adopted in 2003, relating to "Integration into the Global Economy". CTI's wide range of capacity building projects (listed throughout this report) all contribute to the APEC-wide ECOTECH agenda.



## SECTION VII: INTERACTION WITH ABAC

CTI and its sub-fora collaborate with the business community to ensure that private sector perspective contributes to APEC's trade and investment outcomes. In 2006, the Committee continued to engage with ABAC as the key APEC voice in the APEC process. The CTI Chair and the convenors of IEG and BMG accepted invitations to attend ABAC meetings during the year to brief ABAC on their work programs and exchange views on issues of mutual interest. As in the previous years, ABAC was invited to participate in all CTI meetings as well as in all relevant meetings of the CTI's sub-fora. ABAC was also invited to non-meeting events which included the Public-Private Dialogue on Trade Facilitation, APEC Customs Business Dialogue and the SCSC-Business Dialogue. This expanded dialogue with ABAC has enhanced CTI's capacity to respond to the interests of the business community in its work program.

CTI and CTI sub-fora delivered outcomes consistent with ABAC's recommendations:

**Table 8: CTI Response to key ABAC TILF-related Recommendations**

<b>ABAC RECOMMENDATION</b>	<b>CTI RESPONSE</b>
<b>Lead in the successful conclusion of the Doha Round</b>	
<p>ABAC strongly believes there is no issue more urgent or more deserving of greater attention in the APEC region and urge APEC Leaders to demonstrate leadership within the WTO negotiations, and redouble their efforts in the following areas:</p> <ul style="list-style-type: none"> <li>• Agriculture – Major liberalization of trade in agricultural products including a major reduction in tariffs, a significant increase in minimum market access obligations and the elimination of export subsidies within five years.</li> <li>• NAMA – Elimination or substantial reduction of barriers for nonagricultural products.</li> <li>• Trade Facilitation – Enhance transparency, simplicity, standardization and expeditious movement of goods and WTO capacity building in this area.</li> <li>• Services – Improve the quality of services offers. (APEC negotiators should be encouraged to use the ABAC checklists as benchmarks for the removal of investment impediments and to assess and improve the quality of offers in financial sectors.)</li> </ul>	<p>“Support for the Multilateral Trading System” remained as one of CTI's highest priorities. A clear work plan with detailed objectives and activities was developed. This work supported the development of a strong stand-alone Statement issued by APEC Ministers Responsible for Trade in Ho Chi Minh City in June 2006.</p> <p>CTI and its sub-fora organized several capacity building activities aimed at helping developing economies better understand WTO issues, participate in WTO negotiations, and better implement WTO obligations. These included:</p> <ul style="list-style-type: none"> <li>• GOS Workshop on WTO Rules Negotiations in Services held on 28-29 June, Kunming, China that covered a range of topics in the WTO rules negotiations on services.</li> <li>• SCCP Workshop on the TRIPS Agreement held on 17-21 April in Malaysia.</li> <li>• WCBG Training Course on Multi-stakeholder Trade Policy Consultations held in Da Nang, Viet Nam on 22-24 March.</li> </ul>

<i>ABAC RECOMMENDATION</i>	<i>CTI RESPONSE</i>
	<p>CTI has also embarked on work to develop a new strategic program-based approach to the delivery of WTO capacity building activities in APEC.</p> <p>Support for NAMA negotiations were done by:</p> <ul style="list-style-type: none"> <li>• MAG, through sharing information on specific liberalization initiatives. In the information technology (IT) products area, MAG discussed how APEC can support maintenance of the WTO ITA to ensure that new generations of products covered by the ITA continue to receive ITA tariff treatment. MAG also shared views and approaches on environmental goods in support of the WTO and continued their discussions on their approaches on environmental goods.</li> <li>• The Automotive and Chemical Dialogues through raising awareness of automotive/chemical sectoral discussions in WTO/NAMA negotiations. The Chemical Dialogue discussed work to support a proposal by a group of WTO members, including several APEC members, to unilaterally eliminate tariffs on a wide range of chemical products.</li> </ul> <p>In the area of trade facilitation, CTI held a Public-Private Dialogue on Trade Facilitation on 23-24 May where participants discussed amongst other items, issues relating to trade facilitation from the Hong Kong Ministerial Conference. They shared the view point that it was necessary to distil commonalities from the tabled proposals and turn them in binding commitments in the form of legal text in Geneva. The APEC Geneva Caucus was recognized to have an active to play in helping APEC economies and fora to advance work in support of the WTO.</p> <p>In the area of services , GOS continued to review progress in WTO services negotiations and explore the feasibility of undertaking work on emergency safeguard measures (ESM) for services.</p>

<b>ABAC RECOMMENDATION</b>	<b>CTI RESPONSE</b>
<b>Respond to the Santiago Initiative</b>	
<p>ABAC has responded to the invitation of APEC Leaders to provide its views on emerging trade facilitation issues as well as the benefits and challenges that arise for business from the increasing number of RTAs/FTAs in the region and ways that these can be addressed with the following recommendations:</p> <ul style="list-style-type: none"> <li>• Launch the Trans-Pacific Business Agenda as a more structured and concerted approach to trade and investment facilitation within APEC in priority areas such as customs processing, standards and conformance, professional qualifications, intellectual property and regulations;</li> <li>• Establish a high level task force to examine the feasibility of a Free Trade Area of the Asia-Pacific; and</li> <li>• Develop a more comprehensive work plan focusing on developing model measures to encourage free and open trade and convergence across the region in the design and content of regional and bilateral free trade agreements.</li> </ul>	<p>In area relating to the Trans-Pacific Business Agenda, CTI and its sub-fora continued to pursue work on trade and investment facilitation in many forms:</p> <ul style="list-style-type: none"> <li>• CTI conducted a final review of the Trade Facilitation Action Plan (TFAP1), and developed a framework to steer APEC's trade facilitation work beyond 2006 in response to Ministers Leaders' instruction to reduce transaction costs by 5% by 2010. An analytical assessment on the implementation of the TFAP was commissioned. A Public-Private Dialogue on Trade Facilitation (PPD/TF) was held on 23-24 May in Ho Chi Minh City. The findings showed that APEC members have made substantial progress in all four core areas in achieving the objective of TFAP1 in reducing transaction costs.</li> <li>• SCCP completed its Shanghai Goal Final Report which provided qualitative examples of initiatives undertaken by SCCP members to reduce trade transaction costs.</li> <li>• SCCP conducted several joint workshops with the WCO on the use of Time Release Surveys (TRS) in order to enhance the understanding of the merits of TRS as a tool to identify bottlenecks in customs related procedures and improve their efficiency and effectiveness.</li> <li>• SCSC completed the final report on the method and criteria for the assessment of effectiveness of the SCSC trade facilitation collective action plan implementation.</li> <li>• SCSC held the 4<sup>th</sup> Good Regulatory Practice (GRP) Conference and 6<sup>th</sup> Conference on Standards and Conformance in August in Da Nang, Viet Nam</li> <li>• BMG developed a new, more robust and secure ABTC processing system which will greatly assist economies' local ABTC processing operations and connections between economies.</li> <li>• GPEG completed the revision of the APEC Non-Binding Principles (NBPs) on Government Procurement, and the structure of the NBPs has been streamlined.</li> </ul>

<i>ABAC RECOMMENDATION</i>	<i>CTI RESPONSE</i>
	<p>On RTAs/FTAs, CTI developed a process to identify and develop model measures for as many commonly accepted RTA and FTA chapters by 2008 as called for in the Busan Roadmap. Work has commenced in 14 areas – trade in goods; trade in services; technical barriers to trade; electronic commerce; transparency; government procurement; rules of origin and origin procedures; safeguards; investment; dispute settlement; cooperation; sanitary and phyto-sanitary measures; anti-dumping; and subsidies and countervailing duties. There has been rapid progress in this work and several chapters, including core chapters of FTAs, were targeted for delivery to Ministers in November.</p> <p>CTI and its sub-fora also embarked on an active program of complementary activities aimed at promoting high quality RTAs/FTAs. These include:</p> <ul style="list-style-type: none"> <li>• Capacity-building workshop on negotiating RTAs/FTAs in Kuala Lumpur in January</li> <li>• IEG/MAG Workshop on Investment and Market Access Issues in Preferential Trade Agreement held in Ha Noi in February. The workshop explored issues in the design and implementation of investment agreements and examined issues in the liberalization of financial services in the context of RTAs/FTAs.</li> <li>• IEG Study on Identifying Core Elements of in Investment Agreements including the investment chapter of RTAs/FTAs in the APEC region.</li> <li>• APEC Workshop on Best Practices in Trade Policy for RTAs/FTAs held in Ha Noi in February.</li> <li>• CTI Trade Policy Dialogue held on 11 September to examine the common features of FTAs in the Asia-Pacific region, considering business perspective.</li> <li>• Symposium on the Impact of Regional Economic Integration in East Asia on APEC Trade Liberalization held in Tokyo in September aimed at identifying sub-regional RTAs/FTAs involving APEC economies and examining the contribution RTAs/FTAs are making toward economic integration in sub-regions of East Asia.</li> </ul>

<i>ABAC RECOMMENDATION</i>	<i>CTI RESPONSE</i>
<b><i>Keep APEC on Track to Achieve the Bogor Goals</i></b>	
<p>ABAC regards the mid-term stocktake as a critical milestone to the Bogor Goals and have recommended that APEC take the following suite of bold actions if it is to achieve these goals:</p> <ul style="list-style-type: none"> <li>• Reaffirm their commitment to the Bogor Goals;</li> <li>• Strive to be WTO plus by going beyond WTO commitments or coverage particularly in trade and investment facilitation;</li> <li>• Reform the way it operates: <ul style="list-style-type: none"> <li>- It should review whether it would make more effective progress by moving towards more binding commitments including examining the feasibility of a " Free Trade Area of the Asia-Pacific" ;</li> <li>- The IAP Review process should be made more robust and should focus on what needs to be done by each economy to achieve the Bogor Goals.</li> </ul> </li> </ul>	<p>CTI's 2006 work program was framed by the Busan Roadmap to Bogor Goals, focusing on several of the Roadmap's core elements. Comprehensive work plans with specific time frames, objectives and deliverables including capacity building activities were developed for (i) Support for the Multilateral Trading System; (ii) Promotion of High Quality Regional Trade Arrangements (RTAs) and Free Trade Agreements (FTAs); (iii) Trade Facilitation; (iv) Transparency and Anti-Corruption; (v) the Digital Economy and Intellectual Property Rights; and (vi) Investment.</p> <p>CTI and its sub-fora identified short to medium-term activities and programs for incorporation in the Action Plan to implement the Busan Roadmap developed at SOM level.</p> <p>CTI conducted a Symposium on the Catalytic Role of the APEC Process: Behind the Border, Beyond the Bogor Goals at the Chiba University on 14-15 March 2006. The main objectives of the symposium were to assess progress towards free and open trade and investment to date by means of APEC Action Plans as well as through the WTO and regional trading agreements (RTAs)/ Free Trade Agreements (FTAs) and to look for ways to promote further progress in the direction of the Bogor Goals.</p> <p>On the IAP Peer Review Process, CTI agreed on a menu of possible options from which CTI and its sub-fora may choose to participate and add value to the Peer Review through closer involvement in discussion of technical areas falling within their responsibilities.</p> <p>CTI/IEG developed an expanded work program targeting increased investment liberalization and facilitation that addressed (i) the need to assist developing economies clarify the polity issues ; and (ii) the need to work with business on ways to improve the regional investment climate. This process will be underpinned by a research project that will undertake quantitative and qualitative assessment of barriers both at and behind the border to investment in the APEC region and the Policy Dialogue on Policy Framework for Investment (PFI). IEG also developed several capacity building projects to support and energize this work program.</p>

<i>ABAC RECOMMENDATION</i>	<i>CTI RESPONSE</i>
<b><i>Adapt to the New Security Environment</i></b>	
<p>The lack of sufficient financial and technical resources to achieve higher levels of security in the trading system may render the region's entire supply chain vulnerable. It is for this reason that ABAC has undertaken an assessment of the impacts businesses face that are directly related to the new security environment so that appropriate responses may be developed. ABAC also urges the adoption of an APEC Framework for Security and Facilitation of Global Trade by member economies.</p>	<p>BMG and SCCP continue to undertake valuable work on secure trade. BMG completed a successful pilot of the multilateral Regional Movement Alert System (RMAS) which identified the attempted use of lost and stolen passports between the United States, New Zealand and Australia and a successful capacity building program to encourage economies to adopt biometric passports and interoperable border systems. Both initiatives will be expanded in 2007.</p> <p>BMG conducted feasibility study on Advance Passenger Information (API) of Brunei and Peru in 2006.</p> <p>SCCP held a workshop on the <b><i>APEC Framework for Secure Trade</i></b>, focusing on the authorised economic operator (AEO) concept on 6 September in Da Nang. The workshop gave both Customs and the private sector an opportunity to look at the WCO AEO guidance from a strategic and practical perspective, so that global development of AEO programs could proceed without delay at this time.</p>
<b><i>Create an Environment Conducive for Business</i></b>	
<p>Promoting good business ethics and eliminating corruption in the region complement the number of initiatives taken towards improving the business environment.</p> <p>To promote good business ethics, ABAC recommends that APEC:</p> <ul style="list-style-type: none"> <li>• Continue regulatory reform and enhance the clarity of laws and regulations to remove fundamental sources of corruption;</li> </ul>	<p>CTI adopted a work plan on transparency and anti-corruption.</p> <p>CTI developed a set of templates to assess economies' implementation of the APEC General and Area-Specific Transparency Standards.</p> <p>CTI embarked on a project with the World Bank to explore broadening of APEC's work transparency and regulatory reform in the Asia Pacific Region.</p> <p>CPDG undertook capacity building programs to assist economies in implementing the APEC Principles to Enhance Competition and Regulatory Reform.</p> <p>CPDG considered the dissemination of the APEC-OECD integrated Checklist on Regulatory Reform.</p> <p>SELI held the Seminar on Fighting Corruption and Ensuring Transparency in January 2006 in Australia.</p> <p>GPEG held a seminar on the transparency in the government procurement and e-procurement on 5-6 September 2006.</p>

<i>ABAC RECOMMENDATION</i>	<i>CTI RESPONSE</i>
<b>Encourage Innovation</b>	
<p>To encourage innovation, ABAC recommends that in 2005 APEC Leaders launch an initiative on patent cooperation and harmonization; technology choice; and concrete measures on intellectual property rights enforcement, including endorsement of a set of model principles to control online piracy.</p>	<p>CTI/IPEG built on the enforcement aspects of the APEC Anti-counterfeiting and Piracy Initiative and its three accompanying model guidelines that were approved in 2005. This work included (i) the development of sample templates to facilitate responses in connection with implementation of the model guidelines; and (ii) the compilation of information on the IPR enforcement points of contact and the IPR websites. IPEG also conducted workshops to build capacity of developing economies to meet the requirements of international rules and obligations during the integration process into the world market, viz:</p> <ul style="list-style-type: none"> <li>• Workshop on IP for SMEs and micro-enterprises in the APEC region held in Hanoi on 23-24 February to help APEC economies raise the awareness of intellectual property of SMEs.</li> <li>• Workshop on Effective Practices in the Border Enforcement of IPRs held in Los Angeles, California on 27-28 September to discuss different effective and illustrative processes for a comprehensive enforcement regime.</li> <li>• Workshop on Effective Strategies for IPR Public Education held in Hong Kong from 6-10 November to share experiences and knowledge on IPR campaigns with developing economies. The workshop was phase 1 of a wider 'APEC IPR Public Education and Awareness Platform' project that is aimed to equip developing APEC Member Economies with the skills, tools and resources to implement public education and awareness campaigns which promote the protection and enforcement of IPR in the region.</li> </ul> <p>CTI/IPEG completed work on two new model guidelines for (i) for Effective Public Awareness Campaigns and (ii) to Secure Supply Chains against Counterfeit and Pirated Goods.</p> <p>CTI agreed on an APEC Technology Choice Principles Pathfinder that encourage maximizing users' and suppliers' choice of innovative products and services, and minimizing mandatory governmental requirements, thereby promoting technology-driven growth and innovation.</p>

<i>ABAC RECOMMENDATION</i>	<i>CTI RESPONSE</i>
<b><i>Environmental and Life Sciences-related Technologies</i></b>	
<p>ABAC has under consideration a range of environmental and life-sciences technologies and initiatives. ABAC confirmed its endorsement of the APEC Life Sciences Innovation Strategic Plan and IT-based collaborative work under way in areas such as border control and biosecurity, environmental conservation and monitoring, food traceability and healthcare management.</p> <p>On the APEC Life Sciences Innovation Strategic Plan, ABAC supports a robust implementation that identifies one or two outcomes in each of four critical areas in the life sciences value chain: research, development, manufacturing and marketing, and health services.</p>	<p>In 2006, LSIF IV discussed and developed recommendations for implementation of the LSIF Strategic Plan under the theme "Sustainable Health Systems to Support and Promote Innovation". LSIF focused on ways of allocating resources efficiently and effectively to promote innovation and address the serious economic consequences of the health challenges facing the region.</p>



## **RECOMMENDATIONS<sup>1</sup>**

CTI recommends that Ministers:

- **Endorse** CTI's 2006 Annual Report, including the Collective Action Plans in **Appendix 7**.
- **Endorse** CTI's TFAP Report to Ministers (see **Appendix 2**).
- **Endorse** RTA/FTA Model Measures on trade in goods; technical barriers to trade; transparency; government procurement; cooperation; and dispute settlement. (see **Appendix 1**).
- **Endorse** IPR Model Guidelines on Effective Public Awareness Campaigns and Model Guidelines to Secure Supply Chains against Counterfeit and Pirated Goods (see **Appendices 5-6**).
- **Endorse** the Pathfinder on APEC Technology Choice Principles. (see **Appendix 4**)
- **Endorse** the Reviewed Non-Binding Principles on Government Procurement (see **Appendix 8**).
- **Welcome** the outcomes of Public Private Dialogue on Trade Facilitation (see **Appendix 3**).
- **Welcome** revitalized work program on investment.
- **Welcome** the review of CTI and its sub-fora.
- **Welcome** the Framework for Evaluating Pathfinders.
- **Welcome**
  - CTI's contribution to the implementation of APEC's security commitments;
  - CTI's activities in support of the implementation of the APEC Structural Reform Action Plan;
  - CTI's work on gender;
  - The outcomes of the 8th Automotive Dialogue, 5th Chemical Dialogue, 4th Meeting of the Life Sciences Innovation Forum and the 2nd Non-Ferrous Metals Dialogue; and
  - Inclusion of text in 2006 AELM on Preventing Illegal Use of Software and other Copyright Materials by Government Entities.

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<sup>1</sup> Subsequently endorsed by Ministers at the 18th APEC Ministerial Meeting, Ha Noi, Viet Nam, 15-16 November 2006.

*APPENDIX 1*

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*CTI Agreed RTA/FTA Model Measures Texts*



***MODEL MEASURES FOR RTAS/FTAS***

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## ***APEC MODEL MEASURES FOR RTAs/FTAs***

### ***CHAPEAU***

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

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

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

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

**Note:** It is understood that that these model measures will have to be read against any exclusions or exceptions provisions that might form part of an RTA/FTA. Exclusions and exceptions might include general and security exceptions, confidentiality provisions, matters related to the balance of payments and broader macro-economic issues, prudential measures, taxation, etc. Model measures for possible elements of such a chapter remain to be drafted.

## **TRADE IN GOODS**

### ***General considerations relevant to this chapter***

#### ***Lists broadly the main considerations informing this chapter:***

- agreements satisfy the requirements of Article XXIV of the *General Agreements on Tariff and Trade* (GATT), the WTO *Understanding on the Interpretation of Article XXIV of the General Agreement on Tariffs and Trade 1994* and other relevant WTO provisions
- meets the APEC goals and principles relating to RTAs/FTAs, including the *APEC Best Practices for RTAs/FTAs*.

### ***National treatment***

#### ***Outlines the national treatment obligation***

- the parties accord each other national treatment in accordance with Article III of the GATT 1994, including its interpretative notes.

### ***Customs valuation***

#### ***Sets out the basis for customs valuation***

- the value of goods is determined according to the provisions of the WTO Agreement on Customs Valuation (the *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994*).

### ***Elimination and reduction of customs duties***

#### ***Sets out approaches to the elimination of customs duties***

- applied most-favoured-nation-(MFN) tariff rates are the basis for mechanisms for the elimination and reduction of customs duties
- agreements contain a tariff elimination schedule setting out the applied tariffs at the agreed base date and the timetable for reducing and eliminating these tariffs for each tariff line
- the first round of tariff eliminations usually occurs on entry into force of the agreement
- the parties do not increase existing customs duties or introduce new customs duties on imports from the other parties except as otherwise provided in the agreement.

### ***Accelerated liberalisation and elimination of customs duties***

#### ***Encourages faster liberalisation and tariff elimination***

- a mechanism is established for the accelerated liberalisation and elimination of customs duties where the parties agree to do so
- a party to an agreement may request another party to enter into consultations aimed at accelerating the liberalisation and elimination of customs duties
- a party may accelerate unilaterally the elimination or reduction of customs duties.

### ***Waiver of customs duties***

#### ***Prohibits waivers of customs duties for certain purposes***

- parties do not maintain or adopt new waivers of customs duties in their trade with the other parties if the waivers are based on the fulfilment of an export performance requirement
- parties do not make the continuation of a waiver of customs duties conditional, implicitly or explicitly, on the fulfilment of an export performance requirement.

### ***Classification of goods***

#### ***Sets out a preferred approach to classification of goods***

- goods are classified wherever possible according to the latest version of the ***Harmonised Commodity Description and Coding System*** (the Harmonised System).

### ***Export taxes and export duties***

#### ***Sets out the conditions under which export taxes and export duties may be applied***

- the parties may make commitments not to apply export taxes and export duties on trade between them.

### ***Anti-dumping measures***

#### ***Sets out the main options available in respect of anti-dumping measures***

- the parties agree to adopt one of the following three options for the treatment of goods deemed dumped
  - they rely exclusively on the WTO Anti-Dumping Agreement (the ***Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994***) for any use of anti-dumping measures within the free-trade area; or
  - they enter into commitments on the application of anti-dumping measures on trade between them, but consistent with the rights of other WTO members under the Anti-Dumping Agreement; or
  - they do not use anti-dumping measures against each other on goods traded under the agreement.

### ***Subsidies and countervailing measures***

#### ***Outlines rights and obligations in respect of subsidies***

- the parties confirm their rights and obligations under the WTO ***Agreement on Subsidies and Countervailing Measure***

### ***Agricultural export subsidies***

#### ***Seeks to avoid all forms of agricultural export subsidies***

- the parties do not to adopt or maintain any form of export subsidies on any agricultural good destined for the territory of the other party
  - except when one party considers that a non-party is exporting subsidised agricultural goods to another party and the parties cannot agree on measures to be taken by the importing party to counter the effect of the subsidised imports.

### ***Non-tariff measures***

#### ***Sets out the approach to non-tariff measures***

- the parties do not adopt or maintain any non-tariff restriction on the import of any good of the other parties or on the export or sale for export of any good destined for the other parties except in accordance with applicable WTO provisions or as provided in the agreement
- the parties seek to improve their bilateral business environment by establishing a mechanism to discuss and review matters arising from the use of non-tariff measures and to achieve their progressive reduction.

### ***Temporary admission of goods***

#### ***Sets out procedures to facilitate the temporary admission of goods trade between the parties***

- allows for the temporary duty-free admission of goods to be used by a resident of the other party for in the exercise of business activities
- customs duties and other charges may be levied if the goods are used for a different purpose
- temporarily admitted goods can be exported through a customs port different from the one through which they were imported.

#### ***Duty-free entry of commercial samples of negligible value and printed advertising materials***

##### ***Sets out the approach to the admission of trade promotion materials***

- commercial samples of negligible value and printed advertising materials may be imported free of duty from the other parties regardless of their origin.

##### ***Goods re-entered after repair or alteration***

##### ***Outlines the rules for re-admission of goods after repair, etc.***

- seeks to facilitate to the greatest possible extent the export and import of goods for the purpose of repair or alteration, regardless of their origin.

##### ***Review body***

##### ***Designates or establishes a review body for matters concerning trade in goods***

- the parties designate or establish a review body to monitor compliance and implementation issues with a view to improve the functioning of the agreement.

##### ***Definitions***

##### ***Sets out the definitions applicable to the chapter on trade in goods.***

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



## ***TECHNICAL BARRIERS TO TRADE***

### ***General considerations relevant to this chapter***

- the TBT (technical barriers to trade) chapter of an RTA/FTA should establish a framework, which builds on the objectives, disciplines and principles of the WTO ***Agreement on Technical Barriers to Trade*** (TBT Agreement) and agreed procedures
- this approach also provides an opportunity to promote transparency and deepen regulatory understanding and co-ordination among the parties, and establishes mechanisms to require relevant authorities and regulators to co-operate in finding solutions to specific problems as they arise
- given the diversity of regulatory and administrative systems in the APEC region, the TBT model measures set out below provide examples of the kind of provisions that might be included, to the extent the parties deem desirable and necessary, when negotiating RTAs/FTAs.

### ***Objectives***

#### ***Sets out the objectives of the chapter, for example:***

- increase and facilitate trade in goods by ensuring that technical regulations, standards and conformity assessment procedures do not create unnecessary obstacles to international trade
- deepen mutual understanding of each party's technical regulations, standards and conformity assessment procedures
- establish arrangements to enhance transparency, information exchange and dialogue between the bodies of the parties with responsibility for the development and application of standards, technical regulations and conformity assessment procedures
- enhance and strengthen cooperation between the bodies of the parties with responsibility for the development and application of technical regulations, standards and conformity assessment procedures with a view to finding solutions to specific problems.

### ***Scope***

***Sets out the application of the chapter, namely technical regulations, standards and conformity assessment procedures that may directly or indirectly affect trade between the parties, along with any applicable exceptions.***

### ***WTO Agreement on Technical Barriers to Trade***

#### ***Sets out the approach to WTO TBT obligations:***

- the parties affirm their existing rights and obligations under the WTO TBT agreement, but do not include WTO TBT obligations in the scope of the RTA/FTA, or
- the parties affirm their existing rights and obligations under the WTO TBT agreement and include certain WTO TBT obligations in the scope of the RTA/FTA.

#### ***Trade facilitation***

#### ***Promotes cooperation and strengthens disciplines to ensure that technical regulations, standards and conformity assessment requirements do not create unnecessary obstacles to international trade, for example:***

- taking into account the administrative systems of individual economies, promotes positive consideration and appropriate use of a range of possible mechanisms to facilitate the cross border acceptance of conformity assessment results (when required), including but not limited to:
  - mutual recognition agreements for conformity assessment to specific regulations
  - cooperative (voluntary) arrangements between domestic and foreign conformity assessment bodies;
  - the use of accreditation to verify the technical competence of conformity assessment bodies
  - unilateral recognition of results of foreign conformity assessment procedures
  - supplier's declaration of conformity
- provides for regulatory cooperation mechanisms, including regulator to regulator dialogues and working groups.

#### ***Transparency, information exchange and technical consultation***

#### ***Promotes and supports transparency of, as well as information exchange and consultation on, technical regulations, standards and conformity assessment procedures, for example:***

- provides for direct exchange among the parties of some or all notifications made under the WTO TBT Agreement (e.g. through the WTO TBT Enquiry Point);
- promotes exchanges of information on:
  - respective regulatory regimes, including technical regulations, standards and conformity assessment procedures; and
  - the accreditation procedures of conformity assessment bodies, including criteria for assessing the technical competence of conformity assessment bodies
- provides for discussions on such matters as the technical competence of relevant conformity assessment bodies and the criteria used to evaluate competence (if these are not in accordance with international standards or guidelines)

- provides for consultation on specific issues relating to technical regulations, standards and conformity assessment procedures and compliance measures, for example how a technical regulation addresses identified objectives, what considerations are factored into its development (e.g. risk assessment, cost benefit analysis, consideration of alternatives etc)
- provides for explanations by a party of its reasons for:
  - not recognising a technical regulation of the other party as equivalent
  - not accepting the results of a conformity assessment procedure performed in the other party's territory.

***Mutual understanding, co-operation, technical assistance and capacity building***

***Sets out a framework to support the parties' mutual understanding of their respective approaches to technical regulations, standards and conformity assessment procedures and to support deeper co-operation and capacity building in this area, including, for example:***

- provides for targeted technical assistance, regulatory co-operation and capacity building in areas such as the development and implementation of technical regulations, standards, conformity assessment procedures, regulatory reviews and the development and implementation of risk management principles in line with good regulatory practice
- provides for co-operation and capacity building between standards and conformance bodies, including in the context of their participation in relevant international fora
- provides for joint initiatives between the parties, including co-operation and co-ordination of respective compliance measures;
- provides for the establishment of work programmes to address specific issues;
- establishes an enhanced exchange of information between regulators, such as notification of unsafe products (i.e. hazard alerts).

***Cooperation in the development of international standards***

***Provides for the parties to consult and exchange views on matters under discussion in relevant international or regional bodies that develop standards, guidelines, recommendations, or policies relevant to this chapter.***

***Contact points/chapter coordinators/joint committee***

***Sets out the framework for implementation of the chapter:***

- establishes contact points/chapter coordinators for each party and/or a joint committee responsible for co-ordinating and monitoring the implementation of activities under the chapter, including for example:
  - exchanging information between the parties on specific standards, technical regulations and conformity assessment procedures, as well as other information on regulatory regimes
  - considering specific issues arising under the chapter (through working groups as required), including any issue that may arise in the development, adoption, application or enforcement of standards, technical regulations or conformity assessment procedures

- co-ordinating participation in, and monitoring the progress of, any agreed work programmes and other joint activities
  - enhancing co-operation in the development and improvement of technical regulations, standards and conformity assessment procedures
  - facilitating sectoral co-operation between governmental and non-governmental bodies
- provides for consultations among the parties on any issue arising under the chapter
  - when a party requests consultations the parties shall make every effort to attain a mutually satisfactory solution within a reasonable time period, which may be agreed between them
  - the parties can specify the relationship between such consultations and the dispute settlement provisions of the agreement.

***Sectoral annexes and implementing arrangements***

***Sets out additional mechanisms as required for implementation of the chapter, for example:***

- provides for the conclusion of sectoral annexes within the chapter, setting up concrete initiatives to further ease technical barriers in identified key sectors
- provides for the conclusion of implementing arrangements which set out the details for the implementation of the sectoral annexes, where appropriate.

## **TRANSPARENCY**

### ***General considerations relevant to this chapter***

- the purpose of a transparency chapter is to facilitate the administration and smooth operation of a free trade agreement (FTA) through designating contact points in each of the parties to the agreement to facilitate communication on matters arising under the FTA and by reiterating the parties' commitment to transparency and due process regarding matters covered by the FTA
- these elements may be supplemented by other more specific provisions in individual chapters
- this chapter, similar to other chapters of a general or institutional nature, must be read in light of the whole agreement, given that other provisions (e.g., general or chapter-specific exceptions) may apply to specific provisions of this chapter.

### ***Contact points***

#### ***Establishes contact points to facilitate communications***

- the parties designate, within a specified period of time of the FTA coming into force, a contact point to facilitate communications on any matter covered by the agreement
- on the request of another party the contact point identifies the offices or officials responsible for the matter covered by the agreement and assists, as necessary, in facilitating the communication between these offices or officials and the requesting party.

### ***Publication\****

#### ***Describes the range of instruments to be made available publicly***

- the parties publish promptly or otherwise make available laws, regulations, procedures, and administrative rulings of general application\*\* respecting any matter covered by the agreement in such a manner as to enable interested persons and the other party (or parties) to become acquainted with them
- to the extent possible, the parties publish any such measures being proposed in advance and provide a reasonable opportunity for interested persons and the other party (or parties) to comment on such proposed measures

\*Examples of a publication could be an official government gazette of publication or an appropriate official government website.

\*\*Administrative ruling of general application means an administrative ruling or interpretation that applies to all persons and situations falling generally within its ambit, and that establishes a norm of conduct. It does not include a ruling that applies to a particular person, good or service of the other Party in a specific case or a ruling that adjudicates with respect to a particular act or practice.

### ***Notification and provision of information***

#### ***Facilitates the exchange of information on measures affecting the agreement***

- the parties notify each other to the maximum extent possible of any actual or proposed measure that may materially affect the operation of the agreement or otherwise substantially affect another party's interests under the agreement
- upon request from a party, the other party promptly provides information and responds to

questions concerning any actual or proposed measures whether or not the other party has been previously notified of the measure

- notification or information provided under this section can be considered without prejudice to the question of whether any proposed measure is inconsistent with the agreement
- any notification, request, or information provided under this section should be conveyed to the other party through their contact point.

### ***Administrative proceedings***

#### ***Sets out the approaches to administrative procedures***

- the parties strive to administer in a consistent, impartial, and reasonable manner all measures of general application affecting matters covered by the agreement
- in administrative proceedings applying measures referred to in the section on publication to persons, goods, or services of another party to the agreement, each party, wherever possible, provides reasonable notice to persons affected by such a proceeding when that proceeding is initiated and affords such persons a reasonable opportunity to present their case before any final administrative action
- when a proceeding is initiated, reasonable notice includes a description of the nature of the proceeding, a statement of the legal authority of the proceeding, and a general description of any issues of controversy
- proceedings follow procedures in accordance with domestic laws.

### ***Review and appeal***

#### ***Defines the conditions required for prompt review and correction of final administrative actions***

- the parties establish or maintain judicial, quasi-judicial or administrative tribunals or procedures for the purpose of the prompt review and, where warranted, correction of final administrative actions regarding matters covered by the agreement
- tribunals are impartial and independent of the office or authority entrusted with administrative enforcement and do not have any substantive interest in the outcome of the matter
- the parties to the agreement ensure that in any such tribunals or procedures, the parties to the proceeding are provided the right to a reasonable opportunity to support or defend their respective positions
- the parties ensure that the parties to the proceedings are given a decision based on the evidence and submissions of record or, where required by domestic law, the record compiled by the administrative authority
- the parties ensure that such decisions are implemented by, and shall govern the practice of, the office or authority with respect to the administrative action at issue, subject to appeal or further review as provided in their domestic laws.

## **GOVERNMENT PROCUREMENT**

These model measures build on the APEC Non-Binding Principles on Government Procurement and Transparency Standards on Government Procurement.

### ***Application of Agreement***

#### ***Defines the extent to which government purchases are covered by the agreement***

- clearly specifies coverage of government procurement obligations through the use of value thresholds, positive lists of entities, positive or negative lists of goods and services.

### ***Exceptions***

#### ***Outlines exceptions to the chapter***

- text includes any national security, public interest, and health and environmental protection exceptions.
- measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the parties where the same conditions prevail or a disguised restriction on trade between the parties

### ***National treatment and non-discrimination***

#### ***Establishes the requirement for non-discrimination***

- with respect to any measure covered by this chapter each party provides to the other party's goods, services and suppliers of such goods and services treatment no less favourable than the treatment it provides to its domestic goods, services and suppliers.
- also extends to prohibit or limit indirect forms of discrimination.

### ***Procurement methods***

#### ***Establishes the procurement procedures to be followed***

- procure by means of open tendering
- allows for the use of other tendering methods under specified circumstances.

### ***Time periods***

#### ***Sets agreed time periods for the tendering process***

- provides suppliers with sufficient time to prepare and submit responsive tenders or applications to participate in a procurement.

### ***Treatment of tenders and contract awards***

#### ***Ensures the tender process is impartial and transparent***

- guarantee fairness, impartiality and confidentiality
- award contracts on the basis of requirements and evaluation criteria specified in the tender documentation.

### ***Technical specifications***

#### ***Describes the requirements for technical specifications***

- do not adopt technical specifications that create unnecessary obstacles to international trade
- where appropriate specify technical specifications in terms of performance and function, rather than design or descriptive characteristics, and base them on recognized international standards, where these are available, otherwise national standards.

### ***Conditions for participation***

#### ***Identifies conditions required for a supplier to participate***

- limits conditions to those that are essential to ensure that a supplier has the legal, technical and financial abilities to undertake the procurement
- judges supplier capacity on basis of its activities in the territory of the party of the supplier as well as its global activities.

### ***Publication of procurement information***

#### ***Describes the type of information made publicly available***

- makes publicly available all laws, regulations, and policies and procedures of general application relating to government procurement.

### ***Publication of notices***

#### ***Sets out the requirement to publish notices***

- publish notices of intended and planned procurements.

### ***Information on intended procurements***

#### ***Describes the information required to be supplied to interested suppliers***

- provide sufficient information to enable suppliers to submit responsive tenders or applications to participate in a procurement
- make tender documentation available promptly to all interested suppliers or to all suppliers who have qualified to participate in a procurement.

### ***Transparency of contract awards***

#### ***Establishes the requirement for transparency***

- promptly publish contract award notices, giving brief details of the procurement and supplier.

### ***Disclosure of information***

#### ***Describes the ambit of information to be made available***

- provides information necessary to determine whether a procurement was conducted fairly, impartially and in accordance with the agreement



- makes debriefing of individual unsuccessful suppliers available on request
- does not disclose information that might prejudice fair competition or would otherwise be contrary to the public interest.

### ***Records***

#### ***Describes the requirement for maintaining records***

- maintain and make available for purposes of review records documenting procurement process and decisions.

#### ***Domestic review procedures for supplier challenges***

##### ***Sets out the framework of review procedures available to challenge procurement decisions***

- provide a timely, effective, transparent and non-discriminatory administrative or judicial review procedure through which a supplier may challenge procurement decisions.

### ***Ensuring integrity in procurement practices***

#### ***Sets out the framework that ensures the integrity of the procurement process***

- provides for criminal or administrative penalties to address corruption in government procurement
- has in place procedures to address and avoid conflict of interest on the part of those engaged in or having influence over a procurement
- provides for the exclusion of a supplier engaged in fraudulent or illegal actions from participating in procurement.

### ***Use of electronic communications***

#### ***Encourages parties to establish or maintain an electronic system for information and communications on their procurement process and tendering opportunities***

- make best efforts to establish or maintain an electronic system to provide access to notices of intended procurement, tender documentation, and procurement information.

## ***COOPERATION***

### ***General considerations relevant to this chapter***

- a cooperation chapter, although optional in an RTA/FTA, can help add value to such an agreement by enhancing the “partnership” aspect of the agreement.
- such a chapter may prove beneficial in cases of RTAs/FTAs between parties with different levels of development
- the following outline of a possible cooperation chapter is not exhaustive.

### ***Structure***

- the cooperation chapter may comprise a framework section and annex/es or it may be addressed in a two-tier structure consisting of a basic agreement and an implementing one
- the framework section or the basic agreement could set out fields for potential cooperation and rules of general application for cooperation in all fields, while the annexes or the implementing agreement describe details in each field of cooperation such as scopes, forms, mechanisms and specific activities
- this structure should not prevent the possibility of including in individual chapters cooperation provisions that are relevant to their implementation.

### ***Basic principles and objectives***

#### ***Sets out basic principles and objectives of the chapter***

- examples of basic principles include mutual benefit and equal partnership
- examples of objectives include:
  - facilitation and expansion of trade and investment
  - promotion of sustainable economic development
  - participation of the private sector
  - enhancement of the livelihood of the peoples of the parties and their respective regions
  - building on existing cooperative relationships
  - deepening partnerships and cooperation between the parties, and
  - contributing to the objectives of the agreement.

### ***Fields of cooperation***

#### ***Outlines fields of cooperation as may be agreed upon by the parties for future consideration of specific activities***

- examples of the fields of cooperation include:
  - agriculture, forestry and fisheries

- education and human resources development
  - enhancement of business environment
  - financial services
  - information and communications technology (ICT)
  - intellectual property rights protection and enforcement
  - science, technology, and energy
  - small and medium enterprises
  - tourism
  - trade and investment promotion
  - environment
  - labour
- the parties may agree to consider including new fields of cooperation in the future.

***Areas and forms of cooperation***

***Outlines possible areas and forms of cooperation in each field of cooperation***

- areas and forms of cooperation depend on specificities of each field of cooperation
- examples of areas of cooperation include
- human resources development
  - capacity-building or improvement of relevant standards or institutions
  - development, promotion or transfer of technologies
  - promotion of marketing and joint investment
- examples of forms of cooperation include
- exchange of views and information
  - exchange of personnel and experts
  - organizing seminars, workshops, meetings, training courses, internships
  - conducting joint activities, studies, research
  - development of networks among organizations and institutions
  - encouraging and facilitating cooperation between public and/or private bodies
- areas and forms of cooperation may be addressed in the annexes to the cooperation chapter or in a separate implementing agreement.

### ***Implementation of cooperation***

#### ***Sets out a general framework for implementation of the chapter***

- cooperation is conducted in accordance with the laws and regulations of the parties
- cooperation is subject to availability of respective resources, and the parties may indicate their understanding as regards resources to be committed for implementation
- cooperation is conducted in a transparent manner that includes, as appropriate, participation of the public in implementing and developing cooperation activities.

### ***Mechanisms***

#### ***Sets up mechanisms to implement the chapter***

- implementation of the chapter may be assigned to the joint body administering the agreement or to subsidiary committees, working groups and/or contact points, for all or each field of cooperation
- the functions and composition of any subsidiary bodies may be outlined, together with their relationship to other arrangements for administering the agreement
- the composition of a sub-committee includes descriptions on the sub-committee's co-chairs (by specifying the agencies and, where applicable, the level of the co-chairs) and representatives of other agencies concerned of the parties
- conditions are described for participation in meetings of a sub-committee by representatives of other entities with necessary expertise on or relevance to particular fields of cooperation, including the private sector
- functions of a sub-committee could include
  - reviewing and discussing issues concerning the effective implementation of cooperation
  - identifying and prioritizing areas and forms of cooperation
  - exchanging views and information on promotion and development of cooperation in the field concerned
  - identifying and recommending ways for further cooperation
  - reporting findings and making recommendations on issues related to the implementation and operation of the chapter
  - discussion other issues relating to the field of cooperation
  - carrying out other functions which may be delegated to it
- cooperation mechanisms may be addressed in the annexes to the cooperation chapter or in a separate implementing agreement.

## ***DISPUTE SETTLEMENT***

### ***General considerations relevant to this chapter***

#### ***Lists broadly some main considerations informing this chapter***

- wherever possible the parties seek to resolve differences arising under the chapter through consultations
- dispute settlement procedures should be effective, efficient and transparent.

### ***Scope and coverage***

#### ***Describes the applicability of the chapter to the agreement***

- the provisions of the dispute settlement chapter apply to disputes regarding the interpretation or application of the agreement, except as otherwise provided in the agreement
- the provisions of the dispute settlement chapter may address disputes regarding non-violation nullification or impairment
- the agreement describes clearly the different stages of a dispute settlement case and the timeframes for each.

### ***Choice of forum***

#### ***Sets out the options available to the parties for the selection of forum***

- allows for a decision whether the dispute is to be addressed under the provisions outlined in the agreement or in some other forum, as long as both parties to the dispute are members of that forum.

### ***Good offices, conciliation or mediation***

#### ***Sets out methods of dispute resolution including good offices, conciliation and mediation between the parties to the agreement***

- good offices, conciliation and mediation are procedures that are undertaken voluntarily if the parties involved so agree
- such procedures may begin at any time and be terminated at any time
- proceedings involving good offices, conciliation and mediation are confidential and without prejudice to the parties' rights in any other proceedings
- such proceedings may continue while the dispute goes to an arbitral tribunal established
- under the chapter, if the parties involved so agree.

### ***Consultations***

#### ***Sets out the framework for consultations under the agreement***

- the parties agree to resolve differences wherever possible through consultations
- the chapter sets out procedures that encourage a consultative approach.

### ***Arbitration Proceedings***

#### ***Specifies the methods to be used for arbitration proceedings***

- the chapter specifies when and how a party may request the appointment of an arbitrator or a panel of arbitrators
- the chapter details procedures for the appointment of arbitrators, including their qualifications and independence
- arbitration is conducted either under procedures outlined in the chapter or under the procedures established by a competent organisation
- the arbitration proceedings result in a report to the parties addressing the legal and factual issues raised in the dispute
- arbitration proceedings may be suspended or terminated at any time under the conditions outlined in the chapter.

### ***Implementation***

#### ***Sets out the framework for implementation of arbitral outcomes***

- the parties implement the arbitral outcomes according to procedures outlined in the chapter, including possible consultations on the best way to do this
- the chapter specifies the actions open to the parties in cases where a party does not fully implement arbitral outcomes within a reasonable time or the parties are unable to reach a mutually satisfactory solution.

### ***Expenses***

#### ***Outlines the options for meeting the expenses of arbitral proceedings***

- the chapter outlines the options for meeting the expenses available to the parties participating in arbitral proceedings, e.g. sharing equally or some other formula.

## ***TRADE FACILITATION\****

APEC Ministers Responsible for Trade at their meeting in Jeju on 2 and 3 June 2005 instructed Senior Officials to develop possible model measures on trade facilitation for RTAs/FTAs. Ministers agreed that transparency, consistency, release of goods, modernisation and paperless trading, risk management, cooperation, fees and charges, confidentiality, express shipments, review and appeal, penalties, and advance rulings should be core elements of the trade facilitation chapters of RTAs/FTAs in the region.

The following model measures respond to the instruction of Ministers. They build on the ***Best Practices for RTAs/FTAs*** adopted by APEC members in 2004. They are not exhaustive, but they are designed to help members give effect to the Best Practices and to contribute to the Bogor Goals by identifying RTA/FTA provisions that can facilitate trade and reduce transaction costs for business, bearing in mind the general APEC principle of voluntarism.

These model measures are not mandatory, but they are indicative examples to provide members with useful reference in negotiating RTAs/FTAs. They are a guide to the kind of provisions that might be included in the free-trade agreement, where appropriate. They will not prejudice the positions of members in their future negotiations either in the FTAs/RTAs or WTO.

### ***Transparency***

#### ***Regulates the accessibility of trade laws and regulations.***

- publish trade-related laws, regulations and procedures and general administrative procedures in at least one accessible media or on the Internet
- publish in advance any regulations of general application governing customs matters that a party proposes to adopt, and give interested persons the opportunity to comment before their adoption
- provide contact points to address inquiries by interested persons concerning customs matters.

### ***Impartial administration, consistency and predictability***

#### ***Sets out the approaches to administration procedures.***

- provide for impartial administration and enforcement of trade procedures
- rules and procedures relating to trade provide clear and precise procedural guidance and are applied in a consistent, predictable and uniform manner
- minimise the incidence and complexity of import and export formalities and simplify import and export documentation requirements
- relevant laws, regulations and policies seek to eliminate arbitrary or unnecessary procedural obstacles to international trade
- agencies responsible for import and export procedures coordinate their activities to minimise costs to business.

### ***Release of goods***

#### ***Sets out rules applying to release of goods.***

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\* This chapter of the model measures was adopted in 2005. It is included here for ease of reference.

- goods are released at a location and within a time no longer than required to ensure compliance with the trade-related laws of each economy
- procedures are available to release goods upon payment of security where this is required to ensure that obligations are met
- simplified procedures for low-value or low-risk goods.

### ***Modernisation and paperless trading***

#### ***Usually at least an undertaking to rely as much as possible on modernisation and paperless trading.***

- create a climate conducive to the modernisation of business procedures and adoption of new technologies
- use automated systems and electronic documentation based on international standard formats, where available and practicable
- consultation mechanisms for promoting greater exchange of electronic information are available.
- align procedures, documentation and data requirements related to the release of goods with international standards and recommended practices to the extent permitted by domestic laws and policies
- work towards establishing a “single window” mechanism for submission of required data.

### ***Risk management***

#### ***Usually an undertaking that the parties will rely on risk management to improve clearance times.***

- encourage risk management systems (i) to concentrate on inspection of high-risk goods and facilitate the movement of low-risk goods and (ii) to provide for verification of origin.

### ***Cooperation***

#### ***Sets out the framework for cooperation between the authorities.***

- advise the other party of significant changes to laws and policies related to the admission of goods and exchange other relevant information
- cooperate in eliminating unlawful activities in trade falling under the agreement
- provide technical assistance for activities covered by the model measures.

### ***Fees and charges***

#### ***Explains how the parties deal with administrative fees and charges.***

- fees and charges connected with import and export of goods are limited to the approximate cost of the services rendered
- publish details of fees and charges connected with importation and exportation and post such information on the Internet
- periodically review and consolidate and reduce the number and diversity of fees and charges.



### ***Confidentiality***

#### ***Sets out rules on confidential information protection.***

- protect confidential information and provide certainty regarding conditions for the dissemination and exchange of such information.

### ***Express shipments***

#### ***Sets out rules applying to express shipments.***

- adopt express shipment procedures that will expedite clearance.

### ***Review and appeal***

#### ***Defines the conditions under which an exporter or importer may appeal against any decision by authorities against goods traded under the agreement.***

- establish a framework for expeditious resolution of disagreements over decisions related to the import and export of goods
- provide for periodic review of their procedures related to the import and export of goods with a view to their further simplification and the development of further mutually beneficial arrangements to facilitate trade.

### ***Penalties***

#### ***Sets out rules on penalties for violation.***

- measures are available for the imposition of civil or administrative penalties and criminal penalties, where appropriate, for violations of laws and regulations that relate to the import and export of goods.

### ***Advance rulings***

#### ***Permits exporters and importers to seek advice on classification and preferential treatment of a good to be traded.***

- written advance rulings concerning tariff classification, country of origin, valuation, and advice on qualification as an originating good are available to importers, exporters and producers
- procedures for obtaining advance rulings are specified
- time limits for issuing advance rulings are specified, on the assumption that all the necessary information is submitted and correct
- advance rulings may be modified or revoked if they are based on errors in the information supplied or application of the law, or where there is a change in law consistent with the agreement, a change in a material fact, or a change in the circumstances on which the ruling is based
- authorities may decline to issue a ruling in specified circumstances.

***APPENDIX 2***

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***CTI's TFAP Report to Ministers***



## ***Trade Facilitation Action Plan Report of the Final Review to the Ministers***

1. Since APEC's inception in 1989, trade facilitation has been one of its core activities. Reaffirming the key importance of trade facilitation in achieving the Bogor goal of free and open trade and investment in the Asia-Pacific, member economies developed and endorsed a set of APEC Trade Facilitation Principles in 2001. In 2002, APEC Leaders endorsed the APEC Trade Facilitation Action Plan to implement their commitment to cut transaction costs in the APEC region by 5% by 2006.
2. As prescribed in the TFAP, CTI has conducted a final review of the plan, based on reports submitted by member economies, with inputs from the private sector and experts. An APEC Public-Private Dialogue on Trade Facilitation was conducted on 23–24 May 2006 and three experts<sup>1</sup> were commissioned to examine the implementation of TFAP and recommend a possible way forward in the light of their findings. The executive summary of the experts' study is at ***Annex A***.

### ***Status of Implementation***

3. TFAP has succeeded in focusing the attention of APEC economies on facilitation activities and in providing a framework for individual and collective actions covering a wide range of issues in the four core areas of customs procedures, standards and conformance, business mobility, and e-commerce. TFAP was based on a menu of actions and measures from which individual economies could select items for implementation. It was intended to provide economies with examples of the types of actions and measures which each economy may take – individually, collectively or through a Pathfinder approach. Economies were able to select measures either from the menu or other measures they decided were best-suited to attaining the goal of substantially reducing transaction costs. In this way, TFAP provided economies with needed flexibility while remaining results-oriented.
4. Since 2002, APEC economies have selected over 1,400 actions and measures (items), with 62% completed, 24% in progress and about 14% pending. Of the four areas, customs procedures have the highest completion rate at 69%, followed by business mobility (60%), standards (52%) and e-commerce (47%). There are 17% of selected customs procedures items in progress, while the other three areas have close to or more than 30% of items in progress.

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<sup>1</sup> Andrew ELEK, NGUYEN Ngoc Anh and WOO Yuen Pau.

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**Implementation Status of Selected Actions and Measures**

	<b>Selected (a)</b>	<b>Base (100%) (b)<sup>2</sup></b>	<b>Completed (c)</b>	<b>In Progress (d)</b>	<b>Pending (e)</b>
<b>Customs Procedures<sup>3</sup></b>	861	877	609 (69%)	147 (17%)	121 (14%)
<b>Standards<sup>4</sup></b>	304	299	156 (52%)	102 (34%)	41 (14%)
<b>Business Mobility<sup>5</sup></b>	92	94	56 (60%)	27 (29%)	11 (12%)
<b>E-Commerce<sup>6</sup></b>	174	174	81 (47%)	63 (36%)	30 (17%)
<b>TOTAL</b>	1431	1444	902 (62%)	339 (24%)	203 (14%)

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5. There has been a steady increase in the number of completed items in all four areas since the mid-term review conducted in 2004. There has also been a significant decrease in the number of items pending. The overall high level of implementation on this optional menu of actions reflects a widespread recognition that trade facilitation benefits the implementing economies at least as much as it benefits their trading partners.
6. Since the mid-term review in 2004, more APEC member economies have made efforts to incorporate the private sector in trade facilitation activities, but significant room for improvement remains. Only about half of APEC members reported consultation and collaboration with their business communities.

### **Lessons Learnt**

7. TFAP has been an effective vehicle for implementing the call by APEC Leaders for a 5% reduction in transaction costs over the region in five years. It has many favourable elements that should be retained in the next phase of trade facilitation in the region. These include: the flexible menu of actions and measures for member economies' selection as individual actions; the use of benchmarks and baselines; provision for the identification of capacity building needs in developing economies; reporting and review mechanisms; use of collective actions and Pathfinders where appropriate; and collaboration with the private sector and experts.
8. While the implementation of the menu went well, as revealed in the experts' report, some shortcomings in the current approach were identified. While a number of capacity building activities had taken place as part of TFAP activities the TFAP has not so far lived up to its potential as a mechanism to identify and address capacity building needs on a systematic basis.
9. Measurement was seen as a significant shortcoming with the existing TFAP. While a target was set for cuts in transaction costs, no baseline was established to measure cost reductions. The experts acknowledge some of the difficulties in measuring trade facilitation activities. These difficulties make measurement impractical on a comprehensive basis. For example, a dollar value cannot be attached to measures where they represent costs avoided rather than savings on existing costs (e.g. business mobility). Similarly, it is not easy to quantify the benefits of measures that save time in the processing of shipments of goods; some of the measures may be marginal, but cumulatively they may have a major effect, yet those effects are difficult to quantify – even at the individual company level. At the

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<sup>2</sup> As in the Mid-Term Assessment, we have recalculated the base [b] to be the sum of [c], [d], and [e], rather than using [a].

<sup>3</sup> The quantitative assessment for Customs Procedures is based on the data submitted by 19 member economies.

<sup>4</sup> The quantitative assessment for Standards and Conformance is based on the data submitted by 17 member economies.

<sup>5</sup> The quantitative assessment for Business Mobility is based on the data submitted by 17 member economies.

<sup>6</sup> The quantitative assessment for E-Commerce/Other is based on the data submitted by 17 member economies.

two dialogues in 2004 and 2006, the business community acknowledged the difficulties in providing quantitative information about the benefits gained.

10. CTI members have explored several methodologies for measuring trade facilitation costs and conducted studies and seminars on this subject between 2002–2004. APEC's Economic Committee has also undertaken work on this issue. We have been unable to identify a viable and credible methodology for quantifying trade facilitation costs in a comprehensive manner. Accordingly, it is unlikely that we will be able to determine the actual cost savings in 2008 as prescribed in the TFAP. The experts' report suggests that APEC could focus more of its future trade facilitation efforts on actions and measures which are easily quantifiable, but an emphasis on measurement over all else could lead to sub-optimal results. It would be more valuable for member economies to focus on outcomes which benefit business and which are valued by business – whether or not they are easily quantifiable.
11. Another limitation identified was the absence of a linkage between individual actions, usually implemented unilaterally, and collective actions, usually agreed by the specialist APEC sub-fora. No effective mechanism was put in place to relate the two processes or to create synergies among economies selecting the same items. If such linkages were put in place, capacity building activities of sub-fora would be better informed by the trade facilitation needs reported by member economies in their Individual Action Plans.
12. Despite the difficulty in quantifying the actions and measures of TFAP on a comprehensive basis, APEC members have made substantial progress in all four core areas in achieving the ultimate objective of TFAP in reducing transaction costs.

### ***Way Forward***

13. In 2005, Leaders endorsed the Busan Roadmap, as a result of the mid-term stocktake of the progress towards the Bogor goals, calling for, among others, cutting transaction costs by another 5% by 2010 and identifying a list of collective actions that all 21 APEC economies will take to facilitate trade. Moreover, the TFAP also prescribed member economies to report the actual cost savings in 2008. It is suggested that members agree on a framework to achieve the 2010 target with a number of core elements. A detailed action plan would need to take into account collective actions and Pathfinders suggested by CTI, and should be finalised for consideration at the meeting of Ministers Responsible for Trade in mid-2007.
14. The trade facilitation actions to be employed should as far as possible have a built-in measuring mechanism and a capacity building needs assessment before implementation. However measurement remains a difficult issue. The private sector incurs most of the costs of inefficiencies and will reap most benefits from improvements but while some businesses may be able to quantify the savings in some areas, many will not. Given current methodological limitations, it would be impractical to consider collecting data for one economy or for APEC as a whole. Nevertheless targeted measurement can play an important role in designing and implementing effective trade facilitation measures. Noting that some discrete indices (e.g. indicators used in World Bank Doing Business study) are available to measure trade facilitation requirements, we could make reference to such indices for APEC's use in assessing ongoing progress in these areas in individual economies but should avoid using them as a means for ranking.
15. As regards implementation mechanisms, the menu of options approach used in the first TFAP has been successful in delivering trade facilitation in the region. To build on the work achieved, members could shortlist further actions and measures that could be applied in all four core areas. Collective action plans, implemented by CTI sub-fora, should be used where appropriate. With nearly all the Pathfinders to date being on trade facilitation issues it is also clear that the Pathfinder approach is particularly well suited to trade facilitation and should be utilised further in the future. Means should be considered to improve the coherence of actions and measures taken individually, collectively and through Pathfinders. Examples which may be considered for inclusion in the new TFAP are :

16. Working towards an agreed definition of single window to simplify trade reporting requirements. APEC members are developing a plan to assist economies implement national single windows, including identification of capacity building and technical assistance requirements.
17. Creating a secure trade environment that minimises disruption to trade. APEC members are implementing the APEC Framework for Secure Trade, based on the World Customs Organization Framework of Standards to Secure and Facilitate Global Trade.
18. Implementing time-release surveys to provide a self assessment tool for identifying bottlenecks in customs-related procedures and to improve efficiency, effectiveness and facilitate trade.
19. Working towards providing all customs and border-related information in electronic format.
20. The scope of APEC's new TFAP should be broadened beyond the four areas covered by the existing TFAP. In particular, there is a strong case to include secure trade measures in the new TFAP. This should be done in a positive manner – recognizing the paradigm shift that has taken place in the movement of goods and people since the existing TFAP was formulated in 2001. APEC's strong forward-looking work program on secure trade is making a positive contribution through measures where governments and industry work in partnership to secure the supply chain and facilitate low risk trade. There is also a strong case to include in a new TFAP APEC's efforts to minimise the disruption and additional cost to trade and economic activity in the region that would occur as a result of a pandemic or through weaknesses in emergency preparedness.
21. Given that the private sector is the primary beneficiary of trade facilitation, it is necessary to involve them in selecting actions and in the evaluation process. If feasible, a survey could be developed to be used as a tool for collecting feedback on the new TFAP.
22. While reporting and reviewing are important tools for assessing the progress of individual members and APEC as a whole towards the 2010 target, we should be cautious on the proliferation of reporting in recent years. Consistent with the trimming of IAP reporting as agreed in 2005, any reporting requirements should be conducive to gauging achieved benefits and identifying capacity building needs. To ensure consistency throughout the TFAP process and avoid unnecessary work burden on members, the reporting format and approach for TFAP2 should be built on the existing arrangements. A tentative timeline for TFAP2 is attached at **Annex B**.

## **ANNEX A EXECUTIVE SUMMARY**

Trade facilitation has been a priority for APEC since its creation in 1989. It is an integral part of APEC's effort to achieve the Bogor goal of free and open trade and investment in the Asia Pacific by 2010/2020.

The direct economic benefits as well as broader welfare gains of trade facilitation have been widely documented through modeling and case study research. Since most border barriers are now at low levels, the potential gains from trade facilitation may be greater than the gains from incremental tariff reduction. The relevance and urgency of trade facilitation is greater than ever, especially in the context of the recent suspension of multilateral talks under the Doha Development Agenda.

APEC's trade facilitation agenda was given renewed impetus in 2001 when leaders meeting in Shanghai set a target of reducing transaction costs across the region by five percent over five years.

The Trade Facilitation Action Plan (TFAP), which was drawn up in 2002, has succeeded in focusing the attention of APEC economies on facilitation activities and providing a framework for individual and collective actions covering a wide range of issues in customs procedures, standards and conformance, business mobility, and e-commerce.

TFAP was based on a menu of actions that are believed to reduce business transactions costs. Consistent with the voluntary nature of APEC initiatives, member economies were given the flexibility to select from the menu of actions and to implement these actions at their own pace. Economies were required to provide annual progress reports of their individual action plans (TFIAP).

This review, based primarily on reports submitted by member economies indicates that most economies have now implemented, or are implementing, a majority of the items on the agreed menu of options. Members have formed productive partnerships with the private sector in many areas of trade facilitation. Since the mid-term review of the TFAP in 2004, there has been more emphasis on capacity building and greater use of quantitative indicators of progress.

There are many examples of trade facilitation actions taken by APEC member economies that have led to lower transaction costs – measured by shorter customs clearance times, larger volumes of trade, and reduced paperwork, to give just a few examples. It is likely that these actions have led to a fall in the real cost of doing business across borders by five percent or more. However, since there is no common definition of transactions costs and very limited baseline information provided by the member economies, it is not possible to point to an all-compassing measure for the region and to provide evidence that this single measure of transaction costs has fallen by at least five percent since 2001.

The TFAP process has been successful in getting member economies to pursue individual actions and to exchange information on these initiatives. Since the TFAP process was based on individual action plans, there was no consideration given in the action plans to collective actions as such. Nonetheless, APEC has carried out a number of trade facilitation collective actions through its working groups, and this report has included a cursory review of the working group activities. Despite the wealth of information in the TFIAPs, there is room for improvement in the quality of reporting. Economies generally provide information on their trade facilitation commitments and describe the initiatives they have undertaken, but provide few indicators of quality or measurable progress.

Furthermore, the TFAP process has not so far lived up to its potential as a mechanism to identify and to address trade facilitation capacity building needs. While capacity gaps clearly exist, no mechanism has been developed to systematically identify and to measure these gaps, and to provide a way to address such needs.

### ***Next Steps***

The next phase of TFAP should include Collective Action Plans in addition to Individual Action Plans in all four areas of trade facilitation. Potential collective actions for 2006-2010 include:

- Bringing to conclusion the WTO Trade Facilitation agenda as an tangible example of APEC's commitment to and support for multilateral trade negotiations



- Creation of an electronic “single window” for customs clearance matters and processing trade-related documentation
- Provision of all customs and border-related information in electronic format
- Commitment to peer review process and reporting
- Adopting the trade facilitation indicators used in the World Bank’s Doing Business in 2006 report

The next phase of TFAP should also include Pathfinder Initiatives where self-selected groups of economies can work together on priority trade facilitation projects under an APEC banner. These initiatives will rely on public-private partnerships, and will include sharing information, experience, expertise, and technology. A broad area of work that lends itself to Pathfinder Initiatives is in strengthening the efficiency and security of supply chains in the region.

It is important that the next phase of TFAP amount to more than another menu of actions. This report suggests a strategic and selective approach to the next phase of TFAP. The next TFAP should be a set of high priority activities, based on several core principles that reflect the lessons from TFAP 2001-2006.

To accelerate the pace of trade facilitation, it will be necessary to catalyze resources from outside sources, including the private sector and international financial institutions, to complement the resources of individual governments. The next phase of TFAP should give priority to initiatives that will result in measurable reductions in business transaction costs; and which have rates of return that justify the capacity-building effort.

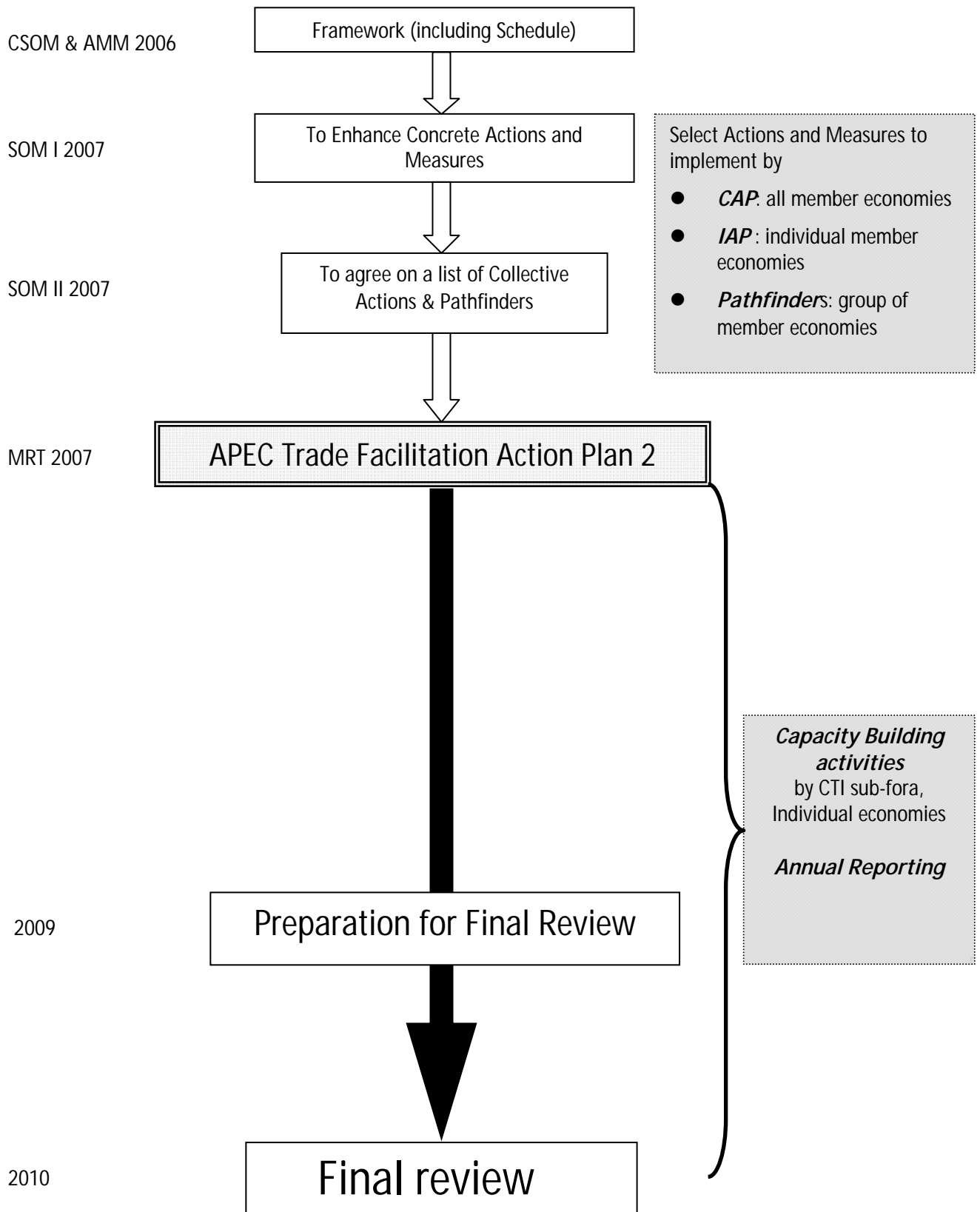
There is significant scope for improving synergy between APEC and other international organizations and financial institutions, such as the ADB, OECD, UNCTAD, and the World Bank, as well as sector-specific bodies such as the WCO, ITU and UNCITRAL. These organizations can offer expertise and analytical capacity and resources to support capacity building, and could help set realistic targets for progress and estimates of the investment needed.

An important element in the next phase of TFAP should be the emphasis on benchmarks and targets, performance indicators, measurement and reporting. For each activity, economies should indicate the improvement achieved using an indicator of transaction costs, and measured against some baseline or target level. Examples of performance indicators can be drawn from a variety of sources, including the World Bank’s *Doing Business in 2006* report, as well as indicators shown in Annex 1 of this report. This emphasis on measurable progress will be supported by the use of a new reporting template, such as the one proposed in Annex 2 of this report.

As a way of setting priorities, the next phase of TFAP should concentrate on activities:

- which all member economies, or a group of pathfinder economies, are committed;
- where collective action can add value to the efforts of the participating economies;
- which build on successful experience, including the successes of TFAP1;
- and where progress can be measured.

**ANNEX B**  
**TIMELINE FOR APEC TRADE FACILITATION ACTION PLAN 2 (TFAP2)**



***APPENDIX 3***

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***Report of the Public-Private Dialogue  
on Trade Facilitation***



**APEC PUBLIC-PRIVATE DIALOGUE ON TRADE FACILITATION**  
(Project No. CTI 01/2006T)

***Executive Summary***

The APEC Public and Private Dialogue on Trade Facilitation under the Project No. CTI 01/2006T was held at Sofitel Plaza Hotel, Ho Chi Minh City, Viet Nam on 23–24 May 2006.

The Dialogue aimed at (i) communicating the outcomes of 5 year implementation of APEC Trade Facilitation Action Plan (APEC TFAP 2001–2006) and (ii) brainstorming next step of trade facilitation activities in APEC in the period of 2006–2010, targeting further 5% reduction in transaction costs in the APEC region.

In the two day meeting, the Dialogue covered a wide spectrum of trade facilitation issues raised in APEC region and world-wide, ranging from stocktaking of APEC works on trade facilitation, the negotiation going on under DDA, works done by other organizations such as the World Bank and UNCTAD to technical issues related to customs, standards and secured trade. The Chairs of CTI, ABAC, SCSC and alternate Chair of SCCP also participated and shared with the Dialogue their views related to trade facilitation.

Interim report of Final Review was presented at the Dialogue by consultants. Final review of TFAP 2001–2006 provided useful reference to work out new plan. Though quantitative assessment could not be carried out in full scale, it gave a clear picture of where improvement needs to be made based on statistical analysis of pending issues in the 4 areas of the Menu of Actions. The Review showed that in e-commerce area, 17% of measures selected are still pending. The figures are respectively 14% in customs, standards and 11% in business mobility. Qualitative assessment provides some hints on the reason behinds the uncompleted measures, which are divergence on measures taken among members, regulatory environment and technical infrastructure bottle-ness.

***Recommendations***

After the presentations and discussions in one day and a half, the Dialogue has come up with the following recommendations to the CTI ***for consideration***:

***1. Need for a collective action plan to implement Trade Facilitation initiatives***

Views shared at the Dialogue seem to support a collective approach to APEC Trade Facilitation. Key features of such an approach could be focused, targeted and action-oriented and well-coordinated. The Menu of Actions and Measures carried out by APEC members in the last few years remain a good basis to start things in collective manner. However, it would be valuable for APEC members to agree on a short list of actions that all will implement. Some major issues emerged business environment and in doing business, as reported by the World Bank annual report are also important source of reference.

The next phase of the TFAP should therefore concentrate attention on those activities:

- which build on successful experience, including the experience of the TFAP so far;
- where collective action can add value to the efforts of the participating economies;
- whose progress can be measured;
- a group of pathfinder initiatives should be elaborated and voluntarily committed to achieving targeted progress and addressing newly emerged issues.

***2. Need for a more effective implementation mechanism and progress reporting***

The Dialogue stressed on the point that any good action plan will only take effect if it is accompanied by an effective implementation mechanism. A number of good ideas were proposed, such as a peer review process, valuation benchmarking, specific timelines and strong monitoring mechanism. The Dialogue also noted the

importance of adopting more concrete quantitative targets to supplement and contribute to the overall goal of a 5% reduction in transaction costs. The World Bank's Doing Business indicators and the World Customs Organization's Time Release Surveys were both cited in this context.

Implementation should also pay due attention to coordination between and among APEC sub-fora, ABAC and other international organizations. In this connection, public and private partnership should be strengthened.

### ***3. Call for enhanced Public-Private Partnership***

The enhanced relationship between government and business community could narrow the gap of expectations by governments and businesses through information sharing, engagement in policy-making process, infrastructure improvement, human resource development and institutional capacity building and outreach activities.

Public-Private Partnership should also capture attention and interest from both private sector and international organizations through out the spectrum of action: from agenda making, policy consultation, capacity building and investment in infrastructure. The engagement of private sector is not merely confined to formulating policies but follow up with capacity building actions to implement the adopted policies. Meanwhile, private sector is encouraged to make efforts with government by investing in infrastructures.

### ***4. Targeted and sustainable Capacity Building***

The Dialogue subscribed to the view that limits of capacity are the binding constraints on progress in most dimensions of trade facilitation. APEC human and financial resources are limited. Special effort should be therefore concentrated on designing focused and targeted capacity building programs in partnership with other organizations and stakeholders. There is a scope for improving synergy between APEC, ABAC and other international organizations including the OECD, UNCTAD, the World Bank and other international financial institutions, and sectoral bodies such as the ITU and UNCITRAL.

## ***Summary of Discussions***

### ***Background settings***

The Dialogue reviewed regional and global trade environment, clearly demonstrating the evolving nature of business landscape which has been witnessing such features as, to name a few, the growing importance of production networks, the increasingly rapid proliferation of Preferential Trade Arrangements, the emergence of recent secure trade measures, the ongoing developments in terms of WTO negotiations and infrastructure bottlenecks, economics of containerization. Busan Business Agenda – the centre-piece of the endorsed Busan Roadmap, other initiatives of relevant APEC fora also noted down as background-setting elements. In that line, trade facilitation seems to be “MFN” for every economies. In other words, trade facilitation actions and measures are open to all economies to benefit from. A whole-of-APEC approach to trade facilitation, possible collective action plans where measurable measures included, therefore are high on the “to-do list” for APEC.

The Dialogue saw the greater importance of International Organizations’ potentials to contribute to APEC’s works on trade facilitation. The Representative from the World Bank shared information on trade-related works undertaken by the Bank, emphasizing the goal of helping different economies implement comprehensive trade strategies that could address both the trade policy issues as well as the business climate behind the border agenda. The Canadian Representative, on behalf of co-organizers - New Zealand and Canada, briefed the Dialogue key outcomes of the Symposium on Private Sector Development which was held on 9–10 May 2006 in Montreal, Canada. Notably, one key element in this Symposium is the results of World Bank project on “Ease of Doing Business”. The striking significance of this event was the role of bridge which IOs can play to bridge APEC governments with private sector in the sense that for the first time an international organization undertook a work on firms and make it available to APEC. The Dialogue discussed various ways that IOs, say the World Bank can contribute to APEC’s works as the whole region. For instance, the Bank could provide a nice source of benchmarks with their analytical capacity and expertise. In this regard, the question of what APEC can plug in the existing efforts by IOs to help them accomplish their mandate was raised and noted with high attention. Addressing this question, the role of channeling information to the IOs that APEC can play was floated, for APEC is unique in the ability to bring ideas out from grassroots, pull out concerns from more than one APEC economy to the Leaders and vice versus. Such kind of inputs could be of help to the IOs.

The latest developments regarding trade facilitation negotiations within the WTO, specifically the works of Negotiating Group on Trade Facilitation (NGTF) very much contributed to set the overall picture of trade facilitation at global level. The Dialogue discussed the concerns left from Hong Kong Ministerial Conference. They are to work towards a set of multilateral commitments on trade facilitation and accelerate to draft mode early enough after the Conference noting the overall deadline for finishing the negotiations. Looking at the way forward, all shared the point that it’s necessary to distill the commonalities from the proposals and turn them into binding commitments in form of legal text and attached great importance to technical assistance, capacity building and special and differential treatment (S&DT). What APEC can advance ahead in this area of work within the WTO is through the role of APEC Geneva Caucus which can help channel business concerns.

### ***Interim Progress Report on Final Review of TFAP in 2001–2005.***

The above presentation and discussion set an overall background for participants to engage in the following session, focusing on final review assessment on a preliminary basis and efficiency of cost reducing generated by trade facilitation actions and measures.

Against this background, the Dialogue discussed the interim progress report on Final Review of TFAP over the past 5 years, provided by commissioned consultants from Viet Nam and Canada. The interim report is attached for reference and expected to be discussed in the CTI meeting. In a nutshell, there is certainly improvement compared to the achievements in the Midterm review. It is extremely difficult to come up with measure reduction in transaction costs on an aggregate average. The accumulated achievements in implementing TFAP are not necessarily interpreted in numerical indicators. Instead, using a set of indicators to score the outcomes at sectoral level, say the auto industry, could be helpful. The report also touched upon the capacity building, the role of public-private partnership, reporting mechanism etc.

Complimentary to the final assessment of cost reductions, the Dialogue also looked at the impacts of trade facilitation activities on private sector by the UNCTAD and World Bank. From national perspectives, there is no loser of trade facilitation as minority benefits from the lack of facilitative environment and majority stands to gain from trade facilitation programs. SMEs, in the case of India, stand as the most beneficiaries from trade facilitation initiatives thanks to enhanced transparency, simpler border-crossing and administrative procedures and documentation, predictable formalities, fees and charges and reliable transport operations etc. To meet the expectations of private sectors in terms of ongoing negotiations on trade facilitation – related articles (Article V, VIII and X), in the short term, UNCTAD can provide technical assistance to enable negotiators to “better evaluate the implications” of the negotiated trade facilitation rules on their development policies and objectives. In the longer run, UNCTAD is willing to provide technical assistance aimed at enhancing national capabilities to effectively implement the negotiated trade facilitation rules. This will contribute to support reforms in national policy-making, as well as institutional and infrastructure development.

In addition, the World Bank representatives shared its 7 priorities in terms of what can be done to lower trade transaction costs, namely automation; harmonization of systems, procedures and documentation in line with international standards; measurement of performance; transparency; cooperation and partnership with the private sector; risk management and human resource management. He also wrapped up works in relevant APEC sub-fora and provided suggestions for higher facilitative efficiency.

### ***APEC Trade Facilitation from Business Perspectives***

The morning session of the 2nd day was designed to capture perspectives from businesses in different areas facilitating trade such as standards and standard conformity, business mobility as well as customs. Representative from Fedex, U.S.A shared its experience on benefits gained from the backing of governments for their businesses by citing good examples of cooperation with customs agency. In its views, close cooperation between government and businesses, particularly in the area of express delivery could help enhance efficiency of border management and risk management, improve confidence for consumers, predictability and transparency. All that could help generate higher rate of return or economic benefits for businesses.

In a separate presentation, New Zealand representative informed the Dialogue of standards-related issues and the impact on private sector business operation. The speaker emphasized the need for standards harmonization, mutual recognition, regulator-to-regulator dialogue and increased involvement of private sector in the process of regulations making. Also, it is necessary for regulators, while making laws, to reserve enough time for private sector to get familiar with new regulations and amendments (if any).

At the Dialogue, Japanese representative also shared views on business mobility activities in the APEC region. The updated developments related to APEC Business Travel Card Scheme, including difficulties and suggestions to improve the effectiveness of such a program were raised and shared with interest by participants.

Participating in the Dialogue, SCSC Convenor and Alternating Convenor of SCCP also briefed the audience the achievements gained in their working groups and their future works to facilitate trade.

Analysis on public-private partnership (PPP) in trade facilitation was also touched upon by Final Review consultant. The role of PPP has been enhancing compared with what can be seen in the Midterm Review exercise. It is initial findings and may well be developed further in the future.

Most of the time in this session, participants discussed and shared the view that collective action plan is needed but only a few specific and defined measures. Economies shall commit themselves to those actions and measures, unless it would be a failure to reach the goals. ABAC Chair 2006 addressed the audience on the role the public-private partnership in capacity building activities, highlighting its ECOTECH priorities (strengthening standard body, improving SMEs, ensuring strong financial systems in the region and anti-corruption and transparency) and possible contribution ABAC can make in this process.



***APPENDIX 4***

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***Pathfinder on the APEC Technology Choice Principles***



## ***PATHFINDER ON THE APEC TECHNOLOGY CHOICE PRINCIPLES***

***HA NOI, VIET NAM  
16 NOVEMBER 2006***

To advance the 2002 Leaders' Pathfinder Statement to Implement APEC Policies on Trade and the Digital Economy, economies agree to work together to promote the principles of technology choice in a market-opening, trade-liberalizing manner that spurs the cycle of innovation and opportunity and promotes economic development across the region. In support of this goal, economies agree to:

- a) promote technology neutral policies and regulations, where appropriate, that will allow flexibility in the choice of technologies in order to ensure competition, maximize benefits for governments, businesses, and consumers, and bridge the development gap;
- b) promote the development and use of open, international, and voluntary standards, that are established through a transparent process, in order to facilitate interoperability among diverse hardware and software systems and contribute to the development of the digital economy;
- c) recognize the critical role of the private sector and user groups in the development and use of open, international, and voluntary standards;
- d) refrain from mandating standards that have the potential to stifle innovation, limit technology choice, hinder competition, or serve as a barrier to market access, except where such measures are necessary for legitimate public policy objectives (e.g., health, security, and safety);
- e) refrain from imposing mandatory technical regulations or requirements that have the potential to stifle innovation, limit technology choice, hinder competition, or serve as a barrier to market access, except where such measures are necessary for legitimate public policy objectives (e.g., health, security, and safety);
- f) ensure that in cases where such technical regulations or requirements are necessary for legitimate public policy objectives, the adoption of such measures is done by taking into account of the APEC Principles and Features of Good Practice for Technical Regulation;
- g) promote procurement practices, with respect to the acquisition of technology, that are transparent, non-discriminatory, openly competitive, and merit-based, including with respect to the procurement of open source and proprietary software, in accordance with the APEC Non-Binding Principles on Government Procurement;
- h) promote the active participation of all APEC economies in international standards organizations; and
- i) strengthen cooperation among APEC member economies on technology choice principles.

***List of Participant Economies:***

Australia  
Canada  
Chile  
Hong Kong, China  
Japan  
Mexico  
New Zealand  
Papua New Guinea  
Peru  
The Philippines  
Singapore  
Chinese Taipei  
United States  
Viet Nam

***APPENDIX 5***

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***APEC Model Guidelines for  
Effective Public Awareness Campaigns on  
Intellectual Property Rights***



## ***APEC MODEL GUIDELINES FOR EFFECTIVE PUBLIC AWARENESS CAMPAIGNS ON INTELLECTUAL PROPERTY RIGHTS***

Intellectual property (IP) has emerged as a critical component of trade, economic growth and sustained development across the Asia-Pacific region and around the world. Protecting IP rights (IPR) and increasing awareness and understanding of "IPR systems" (this relates to creation, protection, enforcement and commercialization of IP) are key to promoting investment, spurring innovation, and generating beneficial economic returns. Recognition and compliance with relevant international agreements, such as the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights and WIPO Internet Treaties, further advances cross-border commerce through shared standards of protection. Many segments of society, however, do not fully comprehend the true value of IP -- or the process by which IPR are created, protected, enforced, and commercialized -- both within their economies and in markets abroad.

Conducting IPR public awareness campaigns is an important way to help remedy this situation. It serves to educate the public on the general benefits of IPR, right holders on how to protect and commercialize their rights, and market their products both domestically and abroad, and consumers on crucial health and safety considerations that affect their lives. Public awareness campaigns also serve to underscore the costs of piracy and counterfeiting to economies when IPR is not adequately respected.

Three Model Guidelines were approved at the Ministerial Level in 2005: The Model Guidelines to Protect Against Unauthorized Copies, The Model Guidelines to Reduce Trade in Counterfeit and Pirated Goods, and The Model Guidelines to Prevent the Sale of Counterfeit and Pirated Goods Over the Internet. To provide a useful resource for raising IPR public awareness under these three Guidelines and generally, the following guidelines serve to aid APEC member economies in the design, implementation and follow-up stages for their IPR campaigns.

It is important to acknowledge that while small-scale campaigns can be relatively inexpensive, depending on how they are conducted, it might be necessary to embark on larger scale campaigns to reach a broader audience. To shoulder the financial burden of these sometimes costly campaigns, economies may wish to cooperate with other economies, obtain assistance from businesses, or other relevant sources. This concern should be highlighted and deserves high-level political support among the APEC economies. Another key aspect is developing core professional competencies in economies for implementing these campaigns effectively.

### ***MODEL GUIDELINES***

#### ***1. DESIGNING AN EFFECTIVE PUBLIC AWARENESS CAMPAIGN***

The success of public awareness campaigns depends heavily on how well they are designed to effectively communicate useful messages supporting an economy's overarching strategy for promoting IPR which is conducive to economic growth and for strengthening IPR protection and enforcement. Key design elements would include:

##### ***(a) Identifying Primary Objectives and Key Themes***

- Public awareness campaign objectives should be well-defined and focused on raising public awareness of IPR in general and more specifically on educating the public on the value and protection of IPR and its benefits to the economy.
- Use of focus groups and preliminary surveys is recommended to provide objective data to identify primary objectives, key themes, and initial baseline measures of activities related to the various IPR systems. Such focus groups and surveys should also assist in areas that need development and stronger protection.
- Key campaign awareness themes might include how the effective use of IPR systems can benefit the IP owner and the economy, the importance of consumer responsibility, civil and

criminal liabilities for infringement, and health and safety implications of IPR infringement. Equally important are themes that highlight how infringement harms local innovation, artisans and performers, as well as the financial gains of small businesses, various right holders and the economy as a whole. Not to be left out are themes that might include an emphasis on the importance of creation and innovation which are essential elements for economic growth in a knowledge-based economy, and how businesses can best deploy appropriate IP strategies.

(b) Tailoring Messages for Specific Target Audiences

- To ensure that the most relevant information on various IPR systems gets to the right people, discrete public awareness campaign modules would be developed for specific sectors of society.

(c) Partnering with the Private Sector

- Central to the design of an effective IPR campaign is close cooperation with the private sector (including academia) in identifying objectives, themes and messages. With its hands-on understanding of the problems relating to activities related to IP overall, the private sector can add valuable contributions to the design of effective campaigns, helping to ensure the most relevant issues are raised and possibly providing funding for an economy's campaign.

(d) Drawing on the Experience of Other Economies

- Numerous economies around the region and the world have been undertaking effective IPR campaigns, including the Hong Kong Intellectual Property Department (IPD) Public Awareness Campaign (available at [http://www.ipd.gov.hk/eng/promotion\\_edu.htm](http://www.ipd.gov.hk/eng/promotion_edu.htm)), the U.S. STOPFAKES Campaign (available at [www.stopfakes.gov](http://www.stopfakes.gov)), and the Japan Patent Office (JPO) Anti-Counterfeiting and Pirated Goods Campaign. Close consultation with the organizers of such campaigns could prove highly beneficial to APEC economies that are developing their own campaigns. This includes sharing experiences among economies in how they utilize IPR systems for economic growth.

(e) Developing an Effective Media Strategy

- To ensure robust public participation, economies would design campaigns that devote appropriate resources to a media strategy that highlights key themes and objectives.
- Economies are encouraged to provide information on cases of enforcement actions to the media as their coverage will help to heighten public awareness on IPR.

## **2. IMPLEMENTING PUBLIC AWARENESS CAMPAIGNS**

To implement the most effective public awareness campaign, economies should adopt a comprehensive approach that ensures careful coordination between the various organizations involved and dissemination of clear, targeted, useful and consistent messages to the public. In addition, development of multi-year plans for campaigns would be ideal to support an economy's long-term efforts to enhance the public's understanding of IPR systems and the importance of IPR protection.

(a) Generating Public Interest through the Media

- A multifaceted media strategy should promote key themes and objectives. This could include:
  - Promoting the campaign with official campaign kick-offs and promotional events, such as concerts or public events involving popular performers, artists or high-profile public officials.
  - Extensive advertising in the media such as print, radio, television and the Internet which promotes the campaign and the benefits of enforcing IPR, garnering the support of relevant stakeholders.



- Using an Internet website (preferably an APEC IPR Service Center )—which contains all essential information about the campaign, including: an overview of the primary objectives of the campaign; schedules and a listing of events (with online registration where practical); relevant laws and judicial decisions; publications describing potential penalties and enforcement actions; various downloadable promotional materials; teaching kits for education experts and students; tool kits for businesses and creators of IP who wish to protect their IPR; and a means to educate consumers on IP and to report IPR infringements.

(b) Holding a Series of Educational Events

- Conduct seminars for various target groups. Depending on the specific audience, seminars would cover the basics (such as an explanation of what IPR is and its benefits) or entail more advanced programs for IP professionals.
- Conduct educational seminars for university students and school children that might include Internet-based learning modules and workshops designed to encourage students and children to create their own creative works.
- Hold seminars for academia to promote better understanding of IPR issues and to educate students and encourage them to create, protect and commercialize IPR, and respect other people's IPR.

### **3. EVALUATING PUBLIC AWARENESS CAMPAIGNS AND FOLLOWING-UP**

Assessing the effectiveness of public awareness campaigns is essential for ensuring continued success and improving subsequent campaigns. Promptly addressing on-going issues covered in the campaigns is also important.

Member economies should elevate IPR public awareness and improve IPR education as a continuing endeavor. To help achieve these basic objectives, economies should endeavor to conduct IPR public awareness campaigns on a regular basis. In addition, member economies should formulate evaluations and follow-up plans according to the particular situations in respective economies. This could include:

- Conducting surveys based on focus groups.
- Distributing and collecting evaluation forms to participants of all public awareness events.
- Comparing the results from campaign events with relevant data that were collected previously to identify campaign successes and to address target areas requiring further IPR education.
- Assessing changes in public attitudes and knowledge of IPR-related issues for future follow-up campaigns.
- Implementing outreach programs designed to build a broader community of those interested in IPR.
- Utilizing the APEC IPR Service Center websites as a means to highlight and share information related to successful public awareness campaigns, such as survey data, campaign approaches and promotional materials.

### **4. CAPACITY BUILDING FOR PUBLIC AWARENESS CAMPAIGNS**

Developing core professional competencies in executing public awareness programs is crucial. APEC member economies should therefore strengthen capacity building cooperation on IPR public awareness. Ways to achieve this cooperation could be bilateral or plurilateral, and involve stakeholders in both the public and private sectors. Such collaboration could result in cost efficiencies and shared resources.

*APPENDIX 6*

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*APEC Model Guidelines to Secure Supply Chains  
Against Counterfeit and Pirated Goods*



## ***APEC MODEL GUIDELINES TO SECURE SUPPLY CHAINS AGAINST COUNTERFEIT AND PIRATED GOODS***

Counterfeiting and piracy harms commerce and the public well being, and undermines confidence in the quality of brand name products, resulting in billions of dollars of lost revenue, investment, future sales and growth opportunities. It also harms legitimate businesses and workers who play pivotal roles in creating, manufacturing, distributing and selling genuine products. In addition, because infringing products are often substandard in quality, they can harm consumers in a myriad of ways, by for example posing serious health and safety risks. APEC economies, like all economies, are vulnerable to harm when infringing products penetrate the process between the manufacture and sale of goods -- known as business supply chains.

Protecting supply chains from counterfeit and pirated goods requires close public-private sector collaboration. Both must work in concert to identify infringing goods and prevent them from entering the marketplace and international channels of commerce. In this interplay, economies should provide robust frameworks and mechanisms for enforcement of intellectual property rights (IPR) that include transparent and effective administrative and judicial systems and strong border controls. At the same time, businesses should actively endeavor to ensure the security of their production and distribution chains. Indeed, close cooperation between the public and private sectors is essential for effectively securing supply chains and protecting consumers and right holders.

The following model guidelines are intended to aid economies and their private sectors in limiting IPR infringing products from entering the chains of commerce. Specifically, these guidelines outline a set of best practices which can be considered in light of individual circumstances to assist the APEC economies and their private sectors in their efforts to combat counterfeiting and piracy and all those involved in the many links that make up the supply chain.

### ***MODEL GUIDELINES***

#### ***1. SOURCING OF MATERIALS AND COMPONENT PARTS, AND PROPER DISPOSAL OF UNUSABLE PRODUCTS***

To prevent IPR infringing goods from entering the early stages of the supply chain, suppliers, manufacturers and other business entities are encouraged to consider ways, taking into account local circumstances, to protect themselves from IPR infringement, including making best efforts to ensure that procedures are in place to determine the authenticity of the raw materials and component parts of their products such as:

##### ***(a) Verifying the Source of Materials and Component Parts***

- Manufacturers of primary products are encouraged to implement appropriate measures, for example, auditing and monitoring practices, to ensure the authenticity of the materials they purchase. The following are possible illustrations:
  - Those engaged in the manufacture of pharmaceutical products may consider adopting guidelines that prevent usage of bulk materials not having been verified from a legitimate source.
  - Manufacturers of optical disc products may consider having procedures and practices (such as unique identification codes indicating their source of manufacture) in place to verify the legitimacy of their customers.
- Assemblers of products, and right holders where applicable, making best efforts through effective internal oversight and control mechanisms, as are practicable, that counterfeit component parts are not used or integrated into their products.

(b) Disposing of Damaged or Excess Inventories

- Manufacturers in cooperation with right holders are encouraged to institute policies, where appropriate, to ensure that damaged and unusable products (as well as component parts and unfinished goods) are properly disposed of so they are not blended back into the legitimate supply chain.
- Right holders are encouraged to adopt policies, where appropriate, to ensure that suppliers no longer under contract properly dispose of excess inventories, so those inventories are not blended back into the legitimate supply chain.

**2. *DISTRIBUTING LEGITIMATE GOODS***

Once goods are manufactured or assembled, business entities in the supply chain should consider appropriate ways, in the light of local circumstances, to protect themselves from IPR infringement, including taking adequate measures to identify and verify the authenticity of goods entering the market. These measures could include:

(a) Ensuring the Authenticity of Products Purchased in Various Distribution Channels

- Purchasers (such as retailers, distributors and wholesalers) operating with written procedures designed to guarantee the authenticity and legality of products acquired from distributors.
- Purchasers should be wary of undertaking transactions when the price or terms of sale of the goods are inordinately low or "too good to be true," which might suggest that the goods are not genuine.
- Distributors and right holders cooperating to have procedures and practices in place to verify the legitimacy/reputation of their customers (usually retailers) so as to ensure that IPR infringing goods are not mixed in with genuine goods at the point of sale.

(b) Monitoring Inventories

- Various actors in the supply chain are encouraged to put in place mechanisms, taking into account local circumstances, to monitor their inventories and verify that goods are not counterfeit or pirated through, for example:
  - Provisions in sales contracts; and
  - Protection measures in products or packaging, such as ensuring goods are traceable through known methods such as model or file numbers.

(c) Other Preventive Measures

- To prevent IPR infringing goods from being marketed or distributed, businesses providing information for economies to examine the role trade fairs may play as breeding grounds for infringement and develop steps to stop infringement at these events.
- To make the public aware that the manufacture and the trafficking of counterfeit and pirated products, including the importation and exportation of such products, is illegal and may result in severe civil and/or criminal penalties.

**3. *PUBLIC-PRIVATE SECTOR COLLABORATION AND TRANSPARENCY***

By working with businesses, economies can effectively combat the illicit trade of counterfeit and pirated goods. Such collaboration is essential to curtail trafficking in counterfeit and pirated goods through proper and transparent information exchange, enforcement action and public education campaigns. Steps for achieving this could include:

(a) Facilitating Businesses in Protecting Their Rights

- Economies providing a portal by which right holders and businesses may report suspect counterfeiters and traffickers of counterfeit and pirated goods. Notable examples include the U.S. STOPFAKES hotline at 1-866-999-HALT and [www.stopfakes.gov](http://www.stopfakes.gov).
- Businesses establishing mechanisms by which actionable information may be passed in an expeditious manner to enforcement agencies. In turn, economies also ensuring that the cases are processed in a timely manner.

(b) Coordinating Effective Enforcement and Improving Transparency

- Economies regularly training their enforcement officials on their intellectual property laws and on distinguishing between infringing and genuine products with the aid of businesses where appropriate.
- Economies doing their best to enable their enforcement agencies to effectively share information with one another in accordance with their national laws.
- Economies making public final judicial decisions and administrative rulings of general application pertaining to the enforcement of IPR in accordance with the TRIPS Agreement.

(c) Conducting Joint Public Awareness Campaigns

- Economies together with the private sector undertaking campaigns to inform importers and exporters of the severity of penalties associated with the unlawful trafficking or distribution of counterfeit and pirated goods.
- Economies together with the private sector undertaking broad educational campaigns that address the harm counterfeiters cause to society and the economy.
- Economies together with the private sector developing educational programs for consumers and retailers on identifying and avoiding counterfeit and pirated products.

***APPENDIX 7***

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***CTI Sub-Fora's Collective Action Plans***





**TARIFFS AND NON-TARIFF MEASURES 2006 COLLECTIVE ACTION PLAN**

<i>Objectives</i>	<i>Action</i>	<i>2006 Work Plan Item</i>
<b>A. Support for the multilateral trading system</b>		
(a) Ensure the expeditious supply of updates to the WTO Integrated database and any APEC databases.	<p><b>Individual:</b> provide annual updates of tariff information as changes occur as well as updates of trade and other agreed data to the APEC Tariff Database.</p> <p><b>Individual:</b> support the WTO by providing tariff and trade data annually in accordance with WTO obligations. Non-WTO members may provide this information as a voluntary measure.</p> <p><b>Collective:</b> seek ways to improve the accessibility and format of the IAP tariffs chapter as well as the electronic-IAP template.</p>	<ul style="list-style-type: none"> <li>• MAG members will regularly update their tariff data for inclusion in the WTO Integrated Database and the APEC Tariff Database.</li> </ul>
(b) Undertake practical work in support of the multilateral trading system	<p><b>Collective:</b> Continue work on sectoral issues of particular trade interest to members.</p>	<ul style="list-style-type: none"> <li>• Explore the possibility of more specific work on environmental goods.</li> <li>• Explore ways contribute to multilateral work on information technology products.</li> <li>• Organise a workshop at MAG I (2007) on remanufactured goods.</li> </ul>
(c) Arrange seminars and/or workshops in support of industrial tariff negotiations.	<p><b>Collective:</b> Organise periodically seminars on tariff issues.</p>	<ul style="list-style-type: none"> <li>• Organise in 2007 a workshop on databases and software available in support of trade negotiations.</li> <li>• Further workshops and seminars in support of the multilateral trading system.</li> </ul>
(d) Pursue incorporation of information on non-tariff measures into a future version of the APEC tariff database.	<p><b>Collective:</b> Exchange through the CTI, and where possible make available electronically, information on non-tariff measures using existing WTO formats as a reference.</p> <p><b>Collective:</b> Examine how information on non-tariff measures can be made available on electronic or other platforms for sharing and exchange, so as to help businesses to understand better member economies' trade regimes.</p>	
(d) Pursue a series of seminars/policy discussions on non-tariff measures.	<p><b>Collective:</b> develop a program of workshops and seminars aimed at promoting a better understanding of non-tariff measures.</p>	<ul style="list-style-type: none"> <li>• Develop jointly with the SCSC and other relevant APEC fora and sub-fora a workshop in support of the objectives of the APEC Food</li> </ul>

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

**SERVICES 2006 COLLECTIVE ACTION PLAN**

<i>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</i>				
<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>	<i>Last implemented actions</i>	
i. Develop and Implement the Menu of Options (MOO) for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Service Trade and Investment	Adopted the MOO. Discussion on ways to follow up the MOO.	Completed	GOS discussed measures to follow up the MOO with regard to: <ul style="list-style-type: none"> <li>- Transparency in services through the e-IAPs;</li> <li>- Recognition in the area of professional services; and</li> <li>- Capacity building in the area of regulatory impact analysis.</li> </ul>	
	a. Review and exchange information on all trade and investment in services arrangements within APEC and study common elements.	Maintained a database on experts on services trade negotiations.  Foster closer co-operation and synergy with other APEC fora/groups.	Ongoing  Ongoing	Updated the database on service experts.  GOS discussed how to foster closer co-operation and synergy with the SME Working Group (SMEWG) for the benefit of the SMEs in the region.  GOS discussed with the Convenor of the Investment Experts Group (IEG) about an IEG/GOS Joint Workshop on the Relationship between Investment and Trade in Services in RTAs/FTAs and other Investment Agreements at GOS II, and agreed to hold the joint workshop in the margins of SOM II next year.  Indonesia briefed GOS on the progress of its project on "Tourism Occupational Skill Standard" under the purview of the Tourism Working Group at GOS I.
	b. Gather and analyze information on the services section contained within the Individual Action Plans.	Promote the use of developed template for service IAP reporting.  Incorporate the services transparency standards in the services chapter of the IAP.	Ongoing  Completed (2004)	

<i>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</i>			
<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>	<i>Last implemented actions</i>
c. Identification of measures affecting trade and investment in all service sectors.	Follow-up on the MOO.	Completed	GOS considered whether transparency in services through the e-IAPs could be an item for follow-up work on the MOO.
	Member economies to volunteer papers and studies in this area and consider cases of "best practices."	Ongoing	
	Implement the Policy Framework.	Ongoing	
d. Study and carry out work concerning the development and adoption of common professional standards, in conjunction with professional accreditation bodies and needed legislative measures.	Follow-up on the MOO.	Ongoing	GOS considered whether capacity building in the area of regulatory impact analysis could be an item for follow-up work on the MOO.  GOS discussed with the IEG Convenor about an IEG/GOS Joint Workshop on the Relationship between Investment and Trade in Services in RTAs/FTAs and other Investment Agreements at GOS II.
	Discussion of possible actions or means to facilitate the provision of professional services in all member economies.	Ongoing	
	Update the APEC Directory on Professional Services.	Ongoing	GOS discussed about creating links from the APEC website into the websites of members which contained the relevant information of their professional services.
	Research on "Skill Standardization for the Nursing Profession" .	2005–2006 (April 2005–December 2006)	GOS discussed the progress of the project on skill standardization for the nursing profession.
	Follow-up on the MOO.	Ongoing	GOS considered whether recognition in the area of professional services could

<i>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</i>			
<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>	<i>Last implemented actions</i>
			be an item for follow-up work on the MOO.
e. Enhance transparency in service sectors	<p>Adopted the transparency standards for services.</p> <p>Incorporated the services transparency standards in the services chapter of the IAP.</p> <p>Develop a template for sharing information on mode 4 commitment</p> <p>Follow-up on the MOO.</p>	<p>Completed (2003)</p> <p>Completed (2004)</p> <p>Completed (2005)</p> <p>Ongoing</p>	<p>GOS considered whether transparency in services through the e-IAPs could be an item for follow-up work on the MOO.</p> <p>GOS discussed a proposal on the development of a blueprint for the implementation of Services CAPs.</p>
f. Continue discussion of issues related to possible APEC principles or guidelines that may be necessary to achieve free and open trade and investment in this area	<p>Follow-up on the "Statement to Implement APEC Policies on Trade and the Digital Economy" (the Statement).</p> <p>Follow-up on the MOO.</p>	<p>Ongoing</p> <p>Completed</p>	<p>GOS considered whether capacity building in the area of regulatory impact analysis could be an item for follow-up work on the MOO.</p>
II. Compile information on services trade statistics		Ongoing	
III. To improve understanding of the impact of liberalization of services.	Member economies to present case studies of their experiences on a voluntary basis aiming to generate momentum for services liberalization in light of perceived benefit of	Ongoing	

<i>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</i>			
<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>	<i>Last implemented actions</i>
	<p>such process</p> <p>Studies on the costs and benefits of services trade liberalization</p> <p>Study of impacts on APEC economies of measures to liberalize and facilitate trade in environmental services</p> <p>Completion of services chapter for model measures for RTAs/FTAs</p>	<p>Completed (2002-2004)</p> <p>Completed (2003-2004)</p> <p>Aim for 2006</p>	<p>Extensive discussions in 2006 of draft model measures</p>
<p>IV. Where appropriate and possible to the WTO's work on services, including through:</p> <p>a. Identification of APEC services related work projects as inputs to consideration of services trade issues by the WTO Council for Trade in Services and its subsidiary bodies; and</p> <p>b. Information exchange and technical assistance, to support GOS Members' preparations for successful participation in WTO services</p>	<p>Monitor WTO work through Watch Group</p> <p>More detailed consideration, including a possible workshop, in 2007 of issues related to the development of an emergency safeguard mechanism for services.</p> <p>A seminar was organized on greater transparency in mode 4 commitments on 1 March 2005.</p> <p>A seminar was organized on mutual recognition mechanisms in the</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Completed (2005)</p> <p>Completed (2005)</p>	<p>Chile debriefed the group on recent developments in WTO at GOS II.</p> <p>GOS discussed the concept of emergency safeguard measures and the need for more focused discussion in the future.</p> <p>GOS had a Workshop on WTO Rules Negotiations of Trade in Services, which was held in Kunming, China on 28-29 June 2006.</p> <p>GOS discussed with the IEG Convenor about an IEG/GOS Joint Workshop on the Relationship between Investment and Trade in Services in RTAs/FTAs and other Investment Agreements at GOS II.</p>

<i>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</i>			
<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>	<i>Last implemented actions</i>
negotiations	<p>Asia-Pacific Region on 1 March 2005.</p> <p>A seminar was organized on scheduling of commitments under the GATS on 2 March 2005.</p> <p>A seminar was organized on WTO Rules Negotiation on Services on 28-29 June, 2006.</p>	<p>Completed (2005)</p> <p>Completed (2006)</p>	

**INVESTMENT 2006 COLLECTIVE ACTION PLAN**

<i>Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
<p><b>Transparency</b> <b>Short-Term</b></p> <p>1. Increase the transparency of APEC Investment regimes by:</p> <p>(i) Updating the APEC Guidebook on Investment Regimes.</p> <p>(ii) Establishing software networks on investment regulation and investment opportunities.</p> <p>(iii) Following the commitment made by the APEC Economic Leaders, to pursue implementation of APEC's transparency principles.</p> <p>(iv) Following the adoption of APEC's Best Practice for RTAs and FTAs and commitment by Leaders to enhance transparency.</p>	<p>The 6th Edition of the Investment Guidebook is to be published</p> <p>1. Improving the state of statistical reporting and data collection; and</p> <p>2. Increasing understanding among member economies on investment policy-making issues.</p> <p>Report on implementation of the APEC Transparency Standards as required by Leaders.</p> <p>1. Report on implementation of APEC Best Practice for RTAs/FTAs in the area of investment as required by Leaders in IAP, where appropriate.</p> <p>2. Between IAPs, ensure information on and website links to the investment chapters in RTAs and FTAs maintained by the APEC Secretariat is kept up to date.</p>	<p>Early 2007</p> <p>Ongoing</p> <p>Ongoing</p>
<p><b>Policy Dialogue</b> <b>Short-Term</b></p> <p>B. Promote dialogue with the APEC business community on ways to improve the APEC investment environment</p>	<p>1. Undertake regular discussions with business representatives from member economies including on specific investment challenges and ways to improve APEC investment environment.</p> <p>2. Maintain regular contact with ABAC and PECC and other relevant business organizations including:</p> <p>(i) discussion at IEG meeting of relevant ABAC recommendations to Leaders in the previous year;</p> <p>(ii) consider possible joint projects suggested by IEG or business organizations.</p> <p>3. Request input from ABAC and PECC on major</p>	<p>At least annually</p> <p>Continuous</p>



<i>Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
	<p>APEC investment initiatives including through participation at IEG meetings and other IEG events such as workshops, seminars, or investment symposia.</p> <ul style="list-style-type: none"> <li>▪ Seminar for Promoting Public-Private sector Dialogue</li> </ul>	<p>Ongoing</p> <p>2007</p>
<p>C. Continue a dialogue with appropriate international organizations dealing with global and regional investment issues.</p>	<p>Establish a policy dialogue process with other fora, where appropriate:</p> <ul style="list-style-type: none"> <li>▪ Consider possible cooperation with the IMF on surveying investment environments.</li> <li>▪ To continue dialogue with UNCTAD on current and emerging international investment issues with a view to undertaking joint studies and capacity building projects.</li> <li>▪ To continue dialogue with OECD on current and emerging international investment issues with a view to undertaking joint studies and capacity building projects.</li> </ul>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
<p><b>Study and Evaluation</b> <b>Short-Term</b></p> <p>Define and implement follow-on training to the WTO implementation seminars.</p> <p>D. Undertake an evaluation of the role of investment liberalization in economic development in the Asia-Pacific region.</p>	<p>Continue the development of training and seminars on WTO implementation.</p> <p>Implement the project, <b><i>Enhancing Investment Liberalisation and Facilitation in the APEC Region.</i></b></p> <p>Implement the project, <b><i>Reducing Barriers to Investment across APEC to Lift Growth and Lower Poverty</i></b></p>	<p>Ongoing</p> <p>Stage 1 by September 2006</p> <p>Stage 2 by June 2007</p>
<p>F. Study possible core elements between existing sub-regional arrangements relevant to investment</p>	<p>Review the investment provisions of current sub-regional arrangements including RTA/FTA and BITs, and identify possible core elements. Engage consultant to assist in analysis and reporting.</p> <p>Consider further study of possible relationships between these provisions in the future.</p>	<p>Stage 1 by end Dec 2006</p> <p>Stage 2 by SOM2 2007</p> <p>Stage 3 by SOM3 2007</p>
<p>G. Refine APEC's understanding of free and open investment.</p>	<p>In the context of the 2005 mid-term stocktake of the Bogor Goals, assess the recommendations of Leaders as far as investment liberalization and facilitation and as necessary developing a new work program.</p>	<p>Ongoing</p>
<p><b>Long-Term</b></p> <p>H. Assess the merits of developing an APEC-wide discipline on investment in the light of</p>	<p>To be determined in the light of progress with policy dialogue in the medium-term.</p>	<p>Long-term</p>

<b>Action</b>	<b>Steps to Implement</b>	<b>Time Frame</b>
<p>APEC's own progress through the medium-term, as well as developments in other international fora.</p> <p>I. Study the advantages and disadvantages of creating investment rules – bilateral, regional, or multilateral – with a view to fostering a more favourable investment environment in the Asia-Pacific region.</p> <p>J. Steps to implement: the completion of Phase 1 of the Study on APEC Cross-Border Mergers and Acquisitions undertaken by PECC.</p>		
<p><b>Facilitation</b> <b>Short-Term and Continuing</b></p> <p>K. Undertake practical facilitation initiatives by:</p> <p>(i) Progressively working towards reducing impediments to investments including those investment related to e-commerce;</p> <p>(ii) Undertaking the business facilitation measures to strengthen APEC economies; and</p> <p>(iii) Initiating investment promotion and facilitation activities to enhance investment flow within APEC economies.</p>	<p>Drawing on business and other advice, identify possible areas for improved practices.</p> <ul style="list-style-type: none"> <li>▪ Survey report on Identifying high priority investment barriers and propose necessary policy measures based on surveys of WB, IMD, WEF and JMC, and</li> <li>▪ Symposium on Investment Liberalization and Facilitation at ABAC meeting in Tokyo</li> </ul> <p>Viet Nam workshop on the experience of member economies in attracting investment from transnational corporations.</p> <p>Viet Nam Investment Forum</p>	<p>Ongoing</p> <p>Early 2007</p> <p>May 2007</p> <p>May 2006</p> <p>November 2006</p>
<p><b>Economic and Technical Cooperation</b> <b>Short-Term</b></p> <p>L. Identify ongoing technical cooperation needs in the Asia-Pacific region and organize training programs which will assist APEC economies in fulfilling APEC investment objectives.</p>	<p>1. Identify target areas for technical cooperation including 'best practice' policy/administrative frameworks.</p> <p>(i) model measures for investment chapter of RTAs/FTAs</p>	<p>Ongoing</p> <p>2006-8</p>

<i>Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
	(ii) work cooperatively with OECD and ABAC on the OECD Policy Framework for Investment as possible policy coherence tool <ul style="list-style-type: none"> <li>▪ IEG-OECD Seminar on the PFI</li> <li>▪ High-Level Public-Private Policy Dialogue on the PFI</li> </ul> 2. Conduct training courses for officials related to investment: <ul style="list-style-type: none"> <li>▪ Coordinate efforts with other relevant bodies involved in technical cooperation; and</li> <li>▪ An annual exchange of experience program for APEC investment officials and private sector.</li> </ul>	Sept 2006 March 2007
<b>Capacity Building Initiatives</b>  M. Undertake new activities that contribute to capacity building.	Identify the elements of capacity building to strengthen the economies of APEC member economies and undertake the following activities: <ol style="list-style-type: none"> <li>1. Prepare for trade and investment liberalization:               <ul style="list-style-type: none"> <li>• Identify the challenges and the opportunities that voluntary investment liberalization present(s) to investors; and</li> <li>• Identify and implement assistance/strategic measures so that member economies can build confidence and the capacity to sustain their development agenda for mutual benefit.</li> </ul> </li> <li>2. Developing guidelines for the Workplan to create good investment climates in APEC member economies.</li> <li>3. China/Australia Workshop on Non-discrimination Treatment in the Investment Agreement in Xiamen China</li> <li>4. Explore joint capacity building initiatives with other APEC fora/sub-fora:               <ol style="list-style-type: none"> <li>(i) Capacity Building for Investment Liberalisation and Facilitation – (delivered through HRDWG):                   <ul style="list-style-type: none"> <li>- seminar to deepen understanding on investment-related laws for public and private sectors</li> </ul> </li> <li>(ii) Workshop with MAG on implementation issues in RTAs and FTAs</li> <li>(iii) Workshop with GOS on relationship</li> </ol> </li> </ol>	Ongoing  Ongoing  September 2006  April 2007  February 2006  May 2007

<i>Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
	<p>between trade in services and investment in FTAs and investment agreements</p> <p>5. Undertake capacity building activities in the area of investor-state dispute settlement practices in the APEC Region:</p> <ul style="list-style-type: none"> <li>• Study report jointly developed with UNCTAD</li> <li>• 1st Regional Seminar – Mexico City</li> <li>• 2nd Regional Seminar – Cairns</li> </ul>	<p>Sept 2006</p> <p>Oct 2006</p> <p>July 2007</p>
<p><b><i>Menu of Options</i></b></p> <p>N. Ongoing improvements to the Menu of Options.</p>	<ol style="list-style-type: none"> <li>1. Cross-reference between the IAPs and Menu of Options.</li> <li>2. Report on economies' progress in implementing and improving the Menu of Options on Investment (last report by the Ministers Responsible for Trade in 2004).</li> </ol>	<p>Ongoing</p>

## STANDARDS AND CONFORMANCE 2006 COLLECTIVE ACTION PLAN

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
<b>1.Alignment</b>			
Align APEC economies' domestic standards with international standards.	<b>Member economies</b> to align their standards with international standards in the area of IEC standards for electrical equipment, particularly those used in the IEC EE CB Scheme.	2006	2010
	<b>Member economies</b> to align their standards with international standards in the following priority areas: <ul style="list-style-type: none"> <li>• Electrical and electronic appliances (air conditioners, televisions, refrigerators, radios and their parts and video apparatus);</li> <li>• Food labelling;</li> <li>• Rubber gloves and condoms; and</li> <li>• Machinery</li> </ul>	1996	2000/ 2005
	<b>Member economies</b> to align their standards with international standards in the additional priority areas of: <ul style="list-style-type: none"> <li>• electrical and electronic equipment to include all electrical safety (IEC 60335); and</li> <li>• Relevant EMC (CISPR) standards.</li> </ul>	1998	2004/ 2008
	<b>Member economies</b> to align their standards with international standards in the additional priority area related to: <ul style="list-style-type: none"> <li>• Safety of information technology equipment (IEC 60950 standard).</li> </ul>	2000	2004/ 2008
	<b>Member economies</b> to align their standards with international standards in the additional priority area related to: <ul style="list-style-type: none"> <li>• Standards and guides on conformity assessment and management systems.</li> </ul>	2000	2002/ 2005
	<b>The SCSC</b> to continue identifying additional priority areas for alignment with international standards.	From 1997	On-going
	<b>Member economies</b> to actively participate in the standardization activities of international standardization bodies (ISO & IEC) in the following priority sectors: <ul style="list-style-type: none"> <li>• building and construction; and</li> <li>• Hazardous area equipment.</li> </ul>	From 1996	On-going
	<b>Member economies</b> to participate in ad-hoc technical groups, which work with PASC in developing coordinated regional input into the development of international standards in selected areas.	From 1997	On-going
	<b>The SCSC</b> to conduct comprehensive reviews of their alignment work.		
<b>Member economies</b> to update each year the results in their respective alignment plans. These will be placed in the APEC Secretariat's website.	From 1998	On-going	

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
	<p><b>Member economies</b> to continue to report on the progress in aligning their standards with international standards.</p> <p><b>Member economies</b> to review and update their alignment work having consultations with business such as ABAC and SME.</p>	<p>From 1998</p> <p>From 2003</p>	<p>On-going</p> <p>On-going</p>
<b>2. Good Regulatory Practice</b>			
	<p><b>Member Economies</b> to exchange information about performance-based regulations.</p> <p><b>Member economies</b> to promote the use of the Principles and Features of Good Practice for Technical Regulation to be used on a voluntary basis.</p> <p><b>Member economies</b> to update and promote the use of Information Notes on Good Practice for Technical Regulations.</p> <p><b>The SCSC</b> to continue to investigate means of enhancing regulatory practices in the APEC region through a program of case studies and seminars.</p> <p><b>The SCSC</b> to organize a stand-alone meeting of the Trade Facilitation Task Force (TFTF) in the margins of SOM I to discuss the issues that it was originally formed to explore.</p>	<p>From 2002</p> <p>From 2001</p> <p>From 2001</p> <p>From 2000</p> <p>From 2006</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p>
<b>3. Recognition of Conformity Assessment</b>			
<p>Achieve recognition of conformity assessment including mutual recognition arrangements in regulated and voluntary sectors</p>	<p><b>Regulated sector:</b></p> <p><b>Member economies</b> to develop recognition arrangements of conformity assessment including:</p> <ul style="list-style-type: none"> <li>• Bilateral MRAs ;</li> <li>• multi-sectoral; and plurilateral MRAs</li> </ul> <p><b>Member economies</b> to consider participation in the Arrangement for the Exchange of Information on Toy Safety and encourage the involvement of their regulators.</p> <p><b>Member economies</b> to consider participation in the APEC Mutual Recognition Arrangement on Conformity Assessment of Foods and Food Products.</p> <p><b>Member economies</b> to consider participation in the Sectoral Arrangement of APEC Food MRA.</p> <p><b>The SCSC</b> to establish a work plan for Sectoral Food MRA and identify possible areas of Sectoral Food MRA.</p> <p><b>The SCSC</b> to establish a Food Safety Cooperation Forum under the SCSC and organize the 1<sup>st</sup> meeting of Food Safety Cooperation Forum in Australia in April 2007.</p> <p><b>The SCSC</b> to organize a seminar on the development of the APEC Sectoral Food MRA in August 2007 in Thailand.</p> <p><b>Member economies</b> to consider participation in Part I of the APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment through providing information in the agreed common format.</p>	<p>From 1997</p> <p>From 1996 <b>(16 economies)</b></p> <p>From 1997 <b>(7 economies)</b></p> <p>From 2003</p> <p>From 2005</p> <p>From 2006</p> <p>2005</p> <p>From 2000. <b>(15 economies in Part I)</b></p>	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>2005</p> <p>On-going</p>

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
	<p><b>Member economies</b> to consider participation in further Parts of the MRA and encourage the involvement of their regulators.</p> <p><b>Member economies</b> to consider participation in the APEC Arrangement for the Exchange of Information on Food Recalls.</p> <p><b>The SCSC</b> to review the implementation and use of the mutual recognition arrangements.</p> <p><b>The SCSC</b> to continue to further consider additional priority areas for MRA in the regulated sector.</p> <p><b>The SCSC</b> to consider alternative mechanisms to facilitate the recognition of conformity assessment results.</p> <p><b>The SCSC</b> to review and improve the effectiveness of the APEC MRA on Conformity Assessment of Foods and Food Products; the Arrangement for the Exchange of Information on Toy Safety; the APEC Arrangement for the Exchange of Information on Food Recalls; and the APEC MRA on Conformity Assessment of Electrical and Electronic Equipment.</p> <p><b>Member economies</b> to implement the program on trade facilitation in information technology products which has been developed in collaboration with the Information Technology Industry Council (ITI).</p> <p><b>Member economies</b> to consider participation in a pilot of the Declare Net.</p> <p><b>The SCSC</b> asked the Working Group on Information Technology Management Systems for the APEC MRAs to liaise with interested parties and report back.</p> <p><b>The SCSC</b> also suggested that the Chairs of the APEC-TEL and EEMRA-JAC should meet with a view to working more closely together, particularly with respect to the application of IT systems to the MRA's.</p> <p><b>SCSC - JAC</b> to organize a meeting to establish a work programme for ongoing dialogue on EE MRA issues</p> <p><b>Voluntary sector:</b></p> <p><b>Member economies</b> to enter into mutual recognition agreements (bilateral and multilateral) in cooperation with Specialist Regional Bodies, where applicable.</p> <p><b>Member economies</b> to encourage participation in APLAC-MRA, PAC-MLAs and CIPM Global MRA.</p>	<p>From 2000 (3 economies in Part II and Part III,)</p> <p>From 1999 (2 economies)</p> <p>From 1998</p> <p>From 1997</p> <p>From 1999</p> <p>From 2001</p> <p>2000</p> <p>From 2001</p> <p>From 2002</p> <p>From 2003</p> <p>From 2006</p> <p>1996</p> <p>From 1998</p>	<p>On-going</p> <p>On-going</p> <p>2005/ 2008</p> <p>On-going</p> <p>On-going</p> <p>2000/ 2005</p> <p>On-going</p>

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
<b>4. Technical Infrastructure Development</b>			
Promote cooperation for technical infrastructure development to facilitate broad participation in mutual recognition arrangements in both regulated and voluntary sector.	<p><b>Member economies</b> to identify specific requirements, assistance and/or activities for technical infrastructure development.</p> <p><b>Member economies</b> to consider the provision of assistance for the improvement of other economies' technical infrastructure.</p> <p><b>The SCSC</b> to undertake the following technical infrastructure projects:</p> <ul style="list-style-type: none"> <li>• Multilateral Recognition Arrangement (MLA) Readiness Project in Product Certification;</li> <li>• Training Risk Assessment in Support of Food Safety Measures;</li> <li>• Training on Testing on Calibration Laboratory Assessment;</li> <li>• APEC/PASC Training Programs on Adoption of International Standards;</li> <li>• Survey of Accredited Calibration and Testing Laboratory Performance: APLAC Calibration Testing Programs, 2003-2005;</li> <li>• Training on Good Regulatory Practice;</li> <li>• Training Program on ISO 14000 Series Product Oriented Standards: EL, LCA and DfE;</li> <li>• A joint APMP-SIM Workshop Addressing the Implementation of Quality Systems in National Metrology Institutes;</li> <li>• Symposium on Traceability in Legal Metrology;</li> <li>• APEC Capacity Building Workshop and Symposium for Harmonization of Food Safety Regulations in Fisheries and Seafood Products;</li> <li>• WTO Compliance- Capacity Building Training in the Development of Food Standards (based on a risk management framework);</li> <li>• WTO Compliance- Capacity Building Training in the Safety Assessment of Genetically Modified (GM) Foods;</li> <li>• Multilateral Recognition Arrangement (MLA) Readiness Project in Environment Management system Certification;</li> <li>• Training Programme on ISO14000 and product orientated standards EL, LCA and DfE</li> <li>• Publication and Internet Dissemination of the Blueprint for APEC SCSC;</li> <li>• E-learning on the practical use of the environmental product standards: ISO14000 on EL, LCA, Ecodesign and the product related environmental regulations" ;</li> <li>• International Comparisons of Metrology of Standards between NMIs in developing economies;</li> <li>• Seminar on Fire Safe Use of Timber in Construction;</li> </ul>	From 1996  From 1996  From 1999	2005



<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
	<ul style="list-style-type: none"> <li>• Seminar and Training courses on Legal Metrology; <b>Member economies</b> to undertake activities from among those recommended in the revised Mid-Term Technical Infrastructure Development Program.</li> <li><b>Member economies</b> to strengthen participation in Specialist Regional Bodies activities.</li> <li><b>Member economies</b> to support and actively participate in APEC Conferences on Standards and Conformance.</li> <li><b>Member economies</b> to support and actively participate in APEC Conferences on Good Regulatory Practice (GRP).</li> <li><b>The SCSC</b> to compile member economies' regulatory profile and develop information and case studies on decision tree analysis for Food/Drug Interface policy development and regulation.</li> <li><b>The SCSC</b> to consider the outcomes of the Food Experts Network.</li> <li><b>The SCSC</b> to continue the identification of priority areas for technical infrastructure development programs, and to be reflected in the development of guidelines for project prioritization.</li> <li><b>Member Economies</b> to fill out their Economy Page.</li> <li><b>Member Economies</b> to fill in the SCSC Trade Facilitation Collective Action Plan Template.</li> <li><b>The SCSC</b> to support capacity building oriented to training business, especially SMEs, improving their knowledge, expertise and skills on standards and conformance matters, including public consultation.</li> <li><b>The SCSC</b> to develop new TF CAP Template in line with CTI guidance and direction and submit to SCSC I meeting in Australia in 2007.</li> </ul>	<p>From 2001</p> <p>From 1996 2006</p> <p>2006</p> <p>From 2001</p> <p>From 2002</p> <p>From 2002</p> <p>From 2002 From 2006</p> <p>2007</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p>
<b>5. Transparency</b>			
Ensure the transparency of the standards and conformity assessment of APEC economies	<p><b>Member economies</b> to update the APEC Contact Points for Standards and Conformance Information, including member economies' participants in the Specialist Regional Bodies and member economies SCSC Contact Points. Member economies agreed that this information should be maintained on the APEC Secretariat's homepage.</p> <p><b>Member economies</b> to endeavour to establish Internet websites to disseminate standards and conformance information.</p> <p><b>Member Economies</b> to develop a database on conformity assessment operators and their activities/services offered and establish an APEC Cooperation Centre for Conformity Assessment.</p> <p><b>Member economies</b> to exchange information on experiences of the transparency provisions in the RTAs/FTAs.</p> <p><b>Member economies</b> to implement the APEC Leaders Transparency Standards on Standards and Conformance.</p> <p><b>Member economies</b> to establish and maintain the economy pages in the Directory of Food Trade Contacts to maximize transparency of food regulatory systems and standards.</p>	<p>From 1997</p> <p>From 1997</p> <p>1999</p> <p>From 2003</p> <p>From 2003</p>	<p>On-going</p> <p>On-going</p> <p>2004</p> <p>On-going</p> <p>On-going</p> <p>On-going</p>

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
<b>6. Cooperation with Specialist Regional Bodies</b>			
	<p><b>Member economies</b> to pursue closer cooperation with the Specialist Regional Bodies (SRBs) in line with the:</p> <ol style="list-style-type: none"> <li>Statement of Commitment to Mutually Agreed Objectives between the SCSC and the SRBs, and</li> <li>The Criteria for APEC TILF Funding of Project Proposals by Specialist Regional Bodies</li> </ol> <p><b>The SCSC</b> to work with the SRBs to make a proposal for consideration at SOM I 2006 to improve coordination between SRBs in capacity building and how to work more closely with APEC to achieve its goals.</p> <p><b>The SCSC</b> to develop "standards education" in cooperation with SRBs, particularly with PASC and to continue to share information and experience on standards education in its future meetings.</p>	<p>From 2000</p> <p>From 2005</p> <p>From 2005</p>	<p>On-going</p> <p>On-going</p> <p>2006</p> <p>On-going</p>
<b>7. Cooperation with International Bodies</b>			
	<p><b>The SCSC</b> to monitor the developments within the WTO Committees on the TBT and SPS and discuss implementation issues.</p> <p><b>The SCSC</b> to continue seminar series to exchange information about the implementation of the WTO SPS Agreement.</p> <p><b>Member Economies</b> to promote the use of the APEC Handbook on Notification Authorities and National Enquiry Points under the SPS and TBT Agreements of the WTO.</p> <p><b>The SCSC</b> to undertake the following projects for the implementation of the APEC Strategic Plan for WTO-related Capacity Building:</p> <ul style="list-style-type: none"> <li>WTO Compliance - Capacity Building training in the Development of Food Standards (based on a risk management framework); and</li> <li>WTO Compliance - Capacity Building Training in the Safety Assessment of Genetically Modified (GM).</li> </ul>	<p>Ongoing</p> <p>From 2002</p> <p>From 2001</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p>
<b>8. Cooperation with Other APEC Fora</b>			
	<p><b>The SCSC</b> to implement Trade Facilitation action Plan collectively.</p> <p><b>The SCSC</b> to pursue better coordination with other APEC fora.</p> <p><b>The SCSC</b> to contact SMEWG for the possible coordination of work to reduce the compliance cost for small and medium enterprises and distribution of relevant information (e.g. Blueprint for APEC SCSC) to SME.</p> <p><b>Member economies</b> to support capacity building activities oriented to training business, especially SMEs, improving their knowledge, expertise and skills on standards and conformance matters, including public consultation.</p> <p><b>Member economies</b> to support the implementation of workplan for improving SMEs access to standards and conformance information.</p> <p><b>The SCSC</b> to develop a work plan on the promotion of the interaction with Business in SCSC's activities.</p>	<p>From 2003</p> <p>From 2001</p> <p>From 2003</p> <p>2006</p> <p>2006</p> <p>2006</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p>

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
	<i>The SCSC</i> to implement recommendations by SCSC-CDSG on effective communication and strategic and results-oriented approach in dealing with issues of common interest such as: EU REACH, SAICM, EuP, RoHS and GHS		
<b>9. Reform of SCSC</b>			
	<i>The SCSC</i> to implement its reform through the rationalization of its agenda, priority setting exercise and better coordination with other groups. <i>The SCSC</i> to hold Policy Dialogue sessions on standards and conformance and follow-up the policy implications arising from them. <i>The SCSC</i> to encourage members to use Power Point presentations and upload the documents one month in advance of meetings. <i>The SCSC</i> to review the SCSC TOR.	From 2001  From 2002  From 2004  2006	On-going  On-going  On going

**CUSTOMS PROCEDURES**  
**2006 COLLECTION ACTION OBJECTIVES AND EXPECTED OUTPUTS**

<b>OBJECTIVES</b>	<b>EXPECTED OUTPUTS</b>
1. Harmonization of Tariff Structure with the HS Convention	- The accurate, consistent and uniform application of the HS Convention by all APEC Member Economies
2. Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines and Rulings	- To improve transparency of APEC customs administrations - To enhance APEC customs administrations' competency in the dissemination of information on customs laws, regulations, procedures, rulings and guidelines provided to the business sector on an ongoing basis.
3. Simplification and Harmonization on the basis of the Revised Kyoto Convention	- Simplified and standardized customs procedures implemented by all APEC Member Economies
4. Adoption and Support for the UN/EDIFACT/Paperless Trading	- The implementation by Member administrations of UN/EDIFACT international electronic messaging standards as the basis for their computerization programs
5. Adoption of the Principles of the WTO Valuation Agreement	- The implementation of the Agreement by Members, in a timely and orderly manner, to meet Members' international obligations under the Agreement
6. Adoption of the Principles of the WTO Intellectual Property Rights (TRIPS) Agreement	- A strategic program designed and developed to implement the Agreement by Members, in a timely and orderly manner and to meet international obligations under the Agreement
7. Introduction of Clear Appeals Provision	- Implementation of customs appeal mechanisms by all Members - The enhanced transparency and effectiveness of the appeals process and client service initiatives within APEC customs administrations
8. Introduction of an Advance Classification Ruling System	- The introduction of simplified procedures for an advance classification ruling system to the customs procedures of each APEC Member Economy
9. Provisions for Temporary Importation, e.g., acceding to the A.T.A. Carnet Convention or the Istanbul Convention	- The implementation of the terms of the A.T.A. Carnet and Istanbul Conventions - The provision of a common import/export documents for the temporary importation of goods - An internationally accepted security for goods entitled to temporary admission without payment of duties and taxes
10. Harmonized APEC Data Elements	- The development of a set of trade data elements required for ordinary goods for home consumption - The development of a set of best practices guidelines for the processing and clearance associated with the movement of goods until the goods are no longer under any customs controls
11. Risk Management Techniques	- To focus customs enforcement efforts on high-risk goods and travelers and facilitate the movement of low-risk shipments, through a flexible approach tailored for each APEC Member

<b>OBJECTIVES</b>	<b>EXPECTED OUTPUTS</b>
	Economy - The implementation of a systematic risk management approach will allow APEC customs administrations to facilitate legitimate trade and travel while maintaining control
12. Guidelines on Express Consignments Clearance	- The timely implementation of the international standard for customs clearance of express shipments - Trade facilitation while maintaining essential customs control responsibilities
13. Integrity	- More accountable, consistent, reliable and transparent customs administrations
14. Customs-Business Partnership	- The development of Customs-Business Partnership with the relevant players/parties in the business sector through the signing of MOUs or other instruments of cooperative arrangement - The establishment of permanent and regular liaison/consultation channels between customs and the relevant players/parties in the business sector
15. Time-Release Surveys (TRS)	- Contribution to further trade facilitation by reducing costs and time in the transaction of goods
16. Implementation of APEC Framework based on the WCO Framework of Standards to Secure and Facilitate Global Trade	- For APEC Member Economies to adopt and implement the provisions contained within the APEC Framework

**INTELLECTUAL PROPERTY RIGHTS 2006 COLLECTIVE ACTION PLAN**

	<b>OAA OBJECTIVES</b>	<b>ACTIONS</b>	<b>Status/Target Date</b>
1	<p>Deepening the Dialogue on Intellectual Property Policy – WTO DDA and Protection of IPRs in New Fields</p> <p>Geographical Indications</p> <p>Protection of Emerging IPR Fields</p>	<p>The IPEG members discussed current contentious issues related to the WTO TRIPs Agreement and emerging IP fields.</p> <p>IPEG members continue reporting on recent progress on protection of GI and/or present their views on the matter. APEC Survey on Geographical Indications has been uploaded to APEC IPEG website.</p> <p>IPEG members continue sharing views on Traditional Knowledge, Folklore and Genetic Resources, and providing updates on Plant Variety Protection</p>	<p>Ongoing</p> <p>Ongoing/ Completed</p> <p>Ongoing</p>
2	<p>Trade and Investment Facilitation</p> <p>APEC Anti-Counterfeiting and Piracy Initiative and Model Guidelines</p> <p>APEC IPR Service Centers</p> <p>IPR Policy Progress Mapping</p> <p>Establishing Effective Systems for IPR Enforcement</p> <p>Regional Trade Agreements/Free Trade Agreements</p>	<p>IPEG discussed extensively the three Model Guidelines endorsed in 2005 and agreed to adopt and develop reporting templates. The text of two additional Model Guidelines on Public Awareness programs and Secure Supply Chains was also developed for APEC endorsement. Additional templates are expected next year.</p> <p>The IPEG collated the status of members in relation to the setting up of IPR service centers. China reported on their establishment of an IPR Service Center. Thirteen APEC economies have set-up these centers to date, and IPEG continues to encourage those remaining to follow suit.</p> <p>Viet Nam reported to IPEG on their new Intellectual Property Law.</p> <p>IPEG members continue to report on their programs and successes in IPR enforcement. A symposium on IPR and Border enforcement was conducted in Los Angeles in September 2006.</p> <p>IPEG agreed to include a new Agenda Item on RTAs/FTAs. Preliminary discussions are ongoing and an economy has been designated to take the lead in developing an information matrix covering APEC members concerns.</p>	<p>Completed/ Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing / by IPEG 24 in January 2007</p>

	<i><b>OAA OBJECTIVES</b></i>	<i><b>ACTIONS</b></i>	<i><b>Status/Target Date</b></i>
3	Support for Easy and Prompt Acquisition of Rights  Trademarks  Cooperation on Examinations and Searches	IPEG members continue to share experiences and best practices in this area. The International Trademark Association (INTA) attended an IPEG meeting to share its perspective  IPEG members reported on their experiences, and continue to share information in this regard.	Ongoing  Ongoing
4	Electronic Processing of IPR Related Procedures	The IPEG members shared experiences of developing and running electronic systems, such as electronic filing systems and electronic dissemination of information.	Ongoing
5	IP Utilization  Promoting IP Asset Management in APEC Economies  Raising Public Awareness	IPEG members actively reported on their activities in this area. An APEC Workshop on Intellectual Property for Small and Medium-Sized Enterprises and Micro-Enterprises was held in Hanoi in February 2006 and it had presentations on IP identification and asset management.  IPEG members continue to share information on this issue. The <i><b>Model Guidelines for Effective Public Awareness Campaigns</b></i> directly addresses this need and once endorsed, it should provide excellent guidance. An APEC Workshop on Effective Strategies for IP Public Education was held from 8-10 November in Hong Kong, China.	Ongoing/ Completed  Ongoing/ Completed

**COMPETITION POLICY 2006 COLLECTIVE ACTION PLAN**

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



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

<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
	Meeting in 2005, members will voluntarily report on the utilizing the Checklist.	
i) Undertake capacity building programs to assist economies in implementing the "APEC Principles to Enhance Competition and Regulatory Reform".	<p>A. Organizing the APEC Training Course on Competition Policy (CTI 09/2006T)</p> <p>B. Formulate a capacity building project (APEC funded) to assist members in utilizing the APEC-OECD Integrated Checklist</p>	<p>Implementation in 2006</p> <p>Implementation in 2007</p>

**GOVERNMENT PROCUREMENT 2006 COLLECTIVE ACTION PLAN**

	<i>Objectives</i>	<i>Actions</i>	<i>Status/Target Date</i>
<b>A</b>	<b><i>Support for the multilateral trading system</i></b>		
		Continue to monitor progress of the WTO Working Group on Transparency in government procurement and consider further contributions, if appropriate.	Ongoing
		GPEG to keep a watching brief over options for GPEG support for the WTO.	Ongoing
	Share and discuss GPEG members' experience with regional and bilateral free trade agreements in the area of government procurement.	Assist the establishment of government procurement FTA model measures.	Ongoing
<b>B</b>	<b><i>Trade Facilitation</i></b>		
	To review consistency of government procurement systems with APEC GPEG Non-Binding Principles (NBPs) on government procurement, noting that actions to achieve this are voluntary.	Member economies are invited to provide updates where appropriate.	Ongoing
		All member economies should regularly review and update their summary information on the AIMP.	Ongoing
	To exchange information on development of e-procurement in government procurement in ways consistent with the newly revised GPEG NBPs, and consider/develop relevant capacity building approaches.	Encourage member economies to present on their experience in implementing e-procurement systems for government procurement and discuss ways of advancing GPEG work in this area.	Ongoing
	Capacity Building Project – Business Outreach.		2006
	To provide greater access for business to government procurement information.		
<b>C</b>	<b><i>Transparency and Anti-corruption</i></b>		
	To review consistency of government procurement systems with the newly revised NBPs	Encourage member economies to complete voluntary reviews of the consistency of their government procurement systems with the newly revised NBPs.	Ongoing
	To complete revision of NBPs	Revision of NBPs completed	2006
	To implement GPEG's anti-corruption and transparency workplan	Publish the GPEG paper summarizing the elements of the NBPs relevant to anti-corruption and transparency.	Ongoing
		Hold a seminar on transparency in the government procurement and e-procurement	

	<b>Objectives</b>	<b>Actions</b>	<b>Status/Target Date</b>
	Capacity Building Project - ACT	(Completed) Research the outcomes of the recent ADB/OECD anti-corruption survey in government procurement and feedback to GPEG members.	Ongoing
<b>D</b>	<b>Promoting the Digital Economy and better IPR protections</b>		
		Share with IPEG areas of mutual interest, including IPEG presenting at a GPEG meeting.	SOM III 2006
<b>E</b>	<b>Other Areas</b>		
	Build greater engagement with the business sector and other stakeholders.	Build a closer relationship between the SME Working Group.	2006
		Increase accessibility by business to information on AIMP.	2006
		Form a working relationship with ABAC to build better ties with the business community, particularly on transparency.	Ongoing
		Work the APEC Communications Unit to disseminate information to business.	Ongoing
		Review of the inclusion of gender issues in NBP completed.	SOM I 2006
	Contribute to mid term review of progress toward Bogor Goals	In addition to the information already provided by GPEG and the member economies, work with CTI to provide further information as required.	Ongoing
	Contribute to APEC reform agenda	Examine ways to reduce duplication in reporting on government procurement, including in IAP templates.	Ongoing

**DEREGULATION 2006 COLLECTIVE ACTION PLAN**

<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
(a) Publish annual reports detailing actions taken by APEC economies to deregulate their domestic regulatory regimes.	Individual economies agreed that this would occur within their IAP (Individual Action Plan) reporting on reforms to their domestic regulatory regimes, and to update such reports annually.	Continuous.
(b) Develop further actions taking into account the above reports, including:  i) Policy dialogue on APEC economies' experiences with regard to best practices in deregulation, including the use of individual case studies to assist in the design and implementation of deregulatory measures, and consideration of further options for a work program which may include:  - identification of common priority areas and sectors for deregulation  - provision of technical assistance in designing and implementing deregulation measures; and  - exploration of the possibility of establishing APEC guidelines on domestic regulation.	A. Take stock of information already gathered in APEC on regulatory regimes and regulatory reform with a view to identifying common experiences, and technical assistance needs and availability.  B. Promote dialogue and understanding within APEC, through focused discussion, on the experiences of APEC economies and on the principles applied to and best practices in, regulatory reform (drawing on the short-term information gathering exercise).  C. Formulate a capacity building project (APEC funded) to assist members in utilizing the APEC-OECD Integrated Checklist  D. Develop a common understanding of the interrelationships between competition policy, deregulation and trade liberalization.  E. Individual Economies to take action oriented undertakings directed to the implementation of the "APEC Principles to Enhance Competition and Regulatory Reform" by APEC Fora and Sub-fora.  F. Maintain and deepen dialogue with other international organizations considering competition policy and deregulation issues.	Continuous.  Continuous.  Implementation in 2007  Continuous  Continuous  Continuous

**MOBILITY OF BUSINESS PEOPLE 2006 COLLECTIVE ACTION PLAN**

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

<i>OAA Objectives</i>	<i>Action</i>	<i>Time Frame</i>
<p><b><i>Business Temporary Residency</i></b> Implement streamlined temporary residence processing arrangements for the intra company transfer of executives, senior managers and specialists, as defined by individual economies.</p>	<p>Members to continue to implement, on a best endeavors basis, the agreed 30 day service standard for the temporary residency processing of executives, senior managers on intra-company transfers, and specialists (as defined by individual economies), where all necessary documentation is completed.</p> <p>Members to continue to report on processing times (standing item). Members to consider streamlining access to work permission/authorization for spouses of personnel on intra company transfer, on request, and on a best endeavors basis.</p>	Ongoing
	<p>Members to report to BMG meetings on implementing e-commerce facilities (standing item).</p>	Ongoing
<p><b><i>Capacity Building (Technical Cooperation And Training)</i></b> Develop and implement the mutually agreed standards and benchmarks essential to capacity building and engage in the capacity building initiatives necessary to provide streamlined visa application and immigration entry, stay and departure processing.</p>	<p><b><i>Professional Service</i></b></p> <p>Economies to report on progress at BMG SOM meetings on implementation of agreed professional service standards (standing item).</p> <p>At SOM III 2006, Members agreed to establish a BMG Professional Service Working Group and to its Terms of Reference. In the first instance, the Working Group will review the current standards and make recommendations on any proposed changes or amendments to update or otherwise improve the standards document.</p>	<p>BMG Working group on Professional Service to report to SOM I 2007.</p>
	<p>At SOM III 2001, the BMG endorsed a standards paper for Document Examination and Fraud detection. These standards are being used by economies to develop their current capacity.</p>	<p>Implementation of the standards is ongoing on an individual, best endeavors basis.</p>
	<p>Document security and related issuance systems. The standards and guidelines take into account all relevant international standards. The first phase of the project to develop draft standards was completed with a workshop conducted in July 2003.</p> <p>A workshop was conducted in March 2004 in Sydney by Australia (phase 2) to raise economies' awareness of the standards and international best practice and developments in respect of biometrics.</p> <p>At SOM III 2004 the BMG agreed that all</p>	<p>Phase One completed July 2003</p> <p>Phase 2 completed in March 2004</p> <p>Ongoing with</p>

<i>OAA Objectives</i>	<i>Action</i>	<i>Time Frame</i>
	<p>APEC economies will begin issuing Machine Readable Travel Documents (MRTDs), if possible with biometrics by 2008, and on a best endeavors basis, endeavor to accelerate replacement of non-MRTDs by MRTDs as well as implement ICAO travel document security standards. Economies report on progress at BMG on implementation of the standards, including MRTDs at meetings (standing item).</p> <p><b>Biometrics</b></p> <p>The BMG received funding from the BMG (March 2006) to undertake a TILF funded project to build the capacity on biometric technology in travel documents and border systems (CTI 30/2006T) via the conduct of two capacity building events: a seminar in Ho Chi Minh on 22–23 May attended by 54 experts from 19 economies and a workshop in July 2006 in Hong Kong, China attended by 45 experts from 18 economies.</p> <p>At SOM III 2006, Members agreed to continue capacity building. Subject to BMC approval, Australia will lead a TILF funded project to produce a reference document covering the technical and non-technical issues, best practices and options for financing, cost recovery, procurement and other issues associated with adopting biometric machine readable travel documents and related border systems.</p>	<p>implementation by end 2008, on a best endeavours basis.</p> <p>Project completed July 2006</p> <p>Subject to TILF approval, under the project an Experts' editorial workshop is to be held on the margins of SOM II 2007. A Publication Launch and seminar will be held on the margins of SOMIII 2007.</p>
	<p><b>API Pathfinder Initiative</b></p> <p>The BMC approved TILF funding (1 August 2002) for a project to conduct feasibility studies in three APEC economies to assess the requirements for the implementation of Advance Passenger Information systems, to be conducted during 2002 and 2003. A second project to conduct feasibility studies was approved in July 2003 by the BMC.</p> <p>Since then, some 10 economies have had an API feasibility study: Thailand (Aug 02), The Philippines (Nov 02), Indonesia (Feb 03), Korea (July 03), Chile (Sept 03), Chinese Taipei (Oct 03), China (Jul 04), Viet Nam (Oct</p>	<p>Ongoing</p> <p>More economies to implement API in 2005.</p>



<i>OAA Objectives</i>	<i>Action</i>	<i>Time Frame</i>
	05), Brunei (Feb 06) and Peru (July 2006) To date, 11 economies have either implemented or have announced their commitment to implementing an API system, including: Australia; Canada; Hong Kong, China; Korea; Japan; Malaysia; Mexico; New Zealand; Chinese Taipei; Thailand; and the United States.	
	<p><b><i>Immigration Legal Infrastructure Standards</i></b></p> <p>The BMC approved TILF funding (1 August 2002) for a project to develop standards and benchmarks for Immigration legislation. A workshop of Immigration law experts was convened in July in 2003 and Legal Infrastructure standards, covering all aspects of Immigration processes and issues, were ratified by the BMG at its 2004 SOMI meeting in Santiago.</p>	Standards ratified February 2004. Implementation ongoing
	<p><b><i>Regional Movement Alert System (RMAS) (Formerly RMAL)</i></b></p> <p>The BMG is overseeing the conduct of a pilot Regional Movement Alert System (RMAS) and a report will be presented to Leaders in 2006. The RMAS pilot has enhanced border security and facilitated the travel of genuine business travelers. At SOM III 2006, the BMG noted:</p> <ul style="list-style-type: none"> <li>• the success of the multilateral phase of the RMAS pilot between Australia, the United States and New Zealand;</li> <li>• that RMAL was ready to move from a pilot to a fully operational system and that a number of economies have expressed interest in joining; and</li> <li>• the renaming of RMAL to the Regional Movement Alert System (RMAS), to reflect the design of the system which accesses economies' lost and stolen databases not a shared data list.</li> </ul> <p><b><i>Multi-Lateral Framework</i></b></p> <p>At SOM III 2006, the BMG endorsed the final Multi-lateral Framework (MLF), Model Economy MOU and Management Board Governance Charter for RMAS. The MLF states the principles, standards and operational arrangements which will enable RMAS to operate consistently and effectively in the region for economies that join the initiative.</p>	<p>Ongoing, more economies expected to join RMAL in 2007.</p> <p>Completed and endorsed September 2006.</p>

<i>OAA Objectives</i>	<i>Action</i>	<i>Time Frame</i>
	<p><b><i>Contribution to Interpol ICPO Database</i></b></p> <p>The BMG agreed at SOM I 2005 to a recommendation that members cooperate to ensure that members provide lost and stolen travel documents to the International Criminal and Police Organization (ICPO) database by end 2006, on a best endeavors basis. Economies are reporting on implementation at BMG meetings.</p>	Ongoing/until end 2006
	<p><b><i>Dialogue with ABAC and Business Community</i></b></p> <p>BMG to continue to brief ABAC members on meeting outcomes and to attend ABAC meetings on invitation. During 2006, the BMG considered further recommendations by the ABAC to improve the operation of the card. The BMG will continue to consult closely with the ABAC, and ABAC members were in attendance at all BMG meetings in 2006.</p>	Ongoing
	<p>BMG to continue to work with ABAC to engage the APEC business community in improving business mobility (strategy agreed at SOM II, 2000).</p>	Ongoing
	<p>Members continue consult with their business community in their home economies on mobility issues and report on any identified issues of concern to the BMG.</p>	Ongoing
	<p>Members provide information (including on the ABTC Scheme) and encourage feedback from the business community about the BMG's initiatives via the Business Mobility website.</p>	Ongoing

***APPENDIX 7***

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***CTI Sub-Fora's Collective Action Plans***



**TARIFFS AND NON-TARIFF MEASURES 2006 COLLECTIVE ACTION PLAN**

<i>Objectives</i>	<i>Action</i>	<i>2006 Work Plan Item</i>
<b>A. Support for the multilateral trading system</b>		
(a) Ensure the expeditious supply of updates to the WTO Integrated database and any APEC databases.	<p><b>Individual:</b> provide annual updates of tariff information as changes occur as well as updates of trade and other agreed data to the APEC Tariff Database.</p> <p><b>Individual:</b> support the WTO by providing tariff and trade data annually in accordance with WTO obligations. Non-WTO members may provide this information as a voluntary measure.</p> <p><b>Collective:</b> seek ways to improve the accessibility and format of the IAP tariffs chapter as well as the electronic-IAP template.</p>	<ul style="list-style-type: none"> <li>• MAG members will regularly update their tariff data for inclusion in the WTO Integrated Database and the APEC Tariff Database.</li> </ul>
(b) Undertake practical work in support of the multilateral trading system	<p><b>Collective:</b> Continue work on sectoral issues of particular trade interest to members.</p>	<ul style="list-style-type: none"> <li>• Explore the possibility of more specific work on environmental goods.</li> <li>• Explore ways contribute to multilateral work on information technology products.</li> <li>• Organise a workshop at MAG I (2007) on remanufactured goods.</li> </ul>
(c) Arrange seminars and/or workshops in support of industrial tariff negotiations.	<p><b>Collective:</b> Organise periodically seminars on tariff issues.</p>	<ul style="list-style-type: none"> <li>• Organise in 2007 a workshop on databases and software available in support of trade negotiations.</li> <li>• Further workshops and seminars in support of the multilateral trading system.</li> </ul>
(d) Pursue incorporation of information on non-tariff measures into a future version of the APEC tariff database.	<p><b>Collective:</b> Exchange through the CTI, and where possible make available electronically, information on non-tariff measures using existing WTO formats as a reference.</p> <p><b>Collective:</b> Examine how information on non-tariff measures can be made available on electronic or other platforms for sharing and exchange, so as to help businesses to understand better member economies' trade regimes.</p>	
(d) Pursue a series of seminars/policy discussions on non-tariff measures.	<p><b>Collective:</b> develop a program of workshops and seminars aimed at promoting a better understanding of non-tariff measures.</p>	<ul style="list-style-type: none"> <li>• Develop jointly with the SCSC and other relevant APEC fora and sub-fora a workshop in support of the objectives of the APEC Food</li> </ul>

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

**SERVICES 2006 COLLECTIVE ACTION PLAN**

<i>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</i>				
<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>	<i>Last implemented actions</i>	
i. Develop and Implement the Menu of Options (MOO) for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Service Trade and Investment	Adopted the MOO. Discussion on ways to follow up the MOO.	Completed	GOS discussed measures to follow up the MOO with regard to: <ul style="list-style-type: none"> <li>- Transparency in services through the e-IAPs;</li> <li>- Recognition in the area of professional services; and</li> <li>- Capacity building in the area of regulatory impact analysis.</li> </ul>	
	a. Review and exchange information on all trade and investment in services arrangements within APEC and study common elements.	Maintained a database on experts on services trade negotiations.  Foster closer co-operation and synergy with other APEC fora/groups.	Ongoing  Ongoing	Updated the database on service experts.  GOS discussed how to foster closer co-operation and synergy with the SME Working Group (SMEWG) for the benefit of the SMEs in the region.  GOS discussed with the Convenor of the Investment Experts Group (IEG) about an IEG/GOS Joint Workshop on the Relationship between Investment and Trade in Services in RTAs/FTAs and other Investment Agreements at GOS II, and agreed to hold the joint workshop in the margins of SOM II next year.  Indonesia briefed GOS on the progress of its project on "Tourism Occupational Skill Standard" under the purview of the Tourism Working Group at GOS I.
	b. Gather and analyze information on the services section contained within the Individual Action Plans.	Promote the use of developed template for service IAP reporting.  Incorporate the services transparency standards in the services chapter of the IAP.	Ongoing  Completed (2004)	

<i>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</i>			
<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>	<i>Last implemented actions</i>
c. Identification of measures affecting trade and investment in all service sectors.	Follow-up on the MOO.	Completed	GOS considered whether transparency in services through the e-IAPs could be an item for follow-up work on the MOO.
	Member economies to volunteer papers and studies in this area and consider cases of "best practices."	Ongoing	
	Implement the Policy Framework.	Ongoing	
d. Study and carry out work concerning the development and adoption of common professional standards, in conjunction with professional accreditation bodies and needed legislative measures.	Follow-up on the MOO.	Ongoing	GOS considered whether capacity building in the area of regulatory impact analysis could be an item for follow-up work on the MOO.  GOS discussed with the IEG Convenor about an IEG/GOS Joint Workshop on the Relationship between Investment and Trade in Services in RTAs/FTAs and other Investment Agreements at GOS II.
	Discussion of possible actions or means to facilitate the provision of professional services in all member economies.	Ongoing	
	Update the APEC Directory on Professional Services.	Ongoing	GOS discussed about creating links from the APEC website into the websites of members which contained the relevant information of their professional services.
	Research on "Skill Standardization for the Nursing Profession" .	2005–2006 (April 2005–December 2006)	GOS discussed the progress of the project on skill standardization for the nursing profession.
	Follow-up on the MOO.	Ongoing	GOS considered whether recognition in the area of professional services could



<i>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</i>			
<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>	<i>Last implemented actions</i>
			be an item for follow-up work on the MOO.
e. Enhance transparency in service sectors	<p>Adopted the transparency standards for services.</p> <p>Incorporated the services transparency standards in the services chapter of the IAP.</p> <p>Develop a template for sharing information on mode 4 commitment</p> <p>Follow-up on the MOO.</p>	<p>Completed (2003)</p> <p>Completed (2004)</p> <p>Completed (2005)</p> <p>Ongoing</p>	<p>GOS considered whether transparency in services through the e-IAPs could be an item for follow-up work on the MOO.</p> <p>GOS discussed a proposal on the development of a blueprint for the implementation of Services CAPs.</p>
f. Continue discussion of issues related to possible APEC principles or guidelines that may be necessary to achieve free and open trade and investment in this area	<p>Follow-up on the "Statement to Implement APEC Policies on Trade and the Digital Economy" (the Statement).</p> <p>Follow-up on the MOO.</p>	<p>Ongoing</p> <p>Completed</p>	<p>GOS considered whether capacity building in the area of regulatory impact analysis could be an item for follow-up work on the MOO.</p>
II. Compile information on services trade statistics		Ongoing	
III. To improve understanding of the impact of liberalization of services.	Member economies to present case studies of their experiences on a voluntary basis aiming to generate momentum for services liberalization in light of perceived benefit of	Ongoing	

<i>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</i>			
<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>	<i>Last implemented actions</i>
	<p>such process</p> <p>Studies on the costs and benefits of services trade liberalization</p> <p>Study of impacts on APEC economies of measures to liberalize and facilitate trade in environmental services</p> <p>Completion of services chapter for model measures for RTAs/FTAs</p>	<p>Completed (2002-2004)</p> <p>Completed (2003-2004)</p> <p>Aim for 2006</p>	<p>Extensive discussions in 2006 of draft model measures</p>
<p>IV. Where appropriate and possible to the WTO's work on services, including through:</p> <p>a. Identification of APEC services related work projects as inputs to consideration of services trade issues by the WTO Council for Trade in Services and its subsidiary bodies; and</p> <p>b. Information exchange and technical assistance, to support GOS Members' preparations for successful participation in WTO services</p>	<p>Monitor WTO work through Watch Group</p> <p>More detailed consideration, including a possible workshop, in 2007 of issues related to the development of an emergency safeguard mechanism for services.</p> <p>A seminar was organized on greater transparency in mode 4 commitments on 1 March 2005.</p> <p>A seminar was organized on mutual recognition mechanisms in the</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Completed (2005)</p> <p>Completed (2005)</p>	<p>Chile debriefed the group on recent developments in WTO at GOS II.</p> <p>GOS discussed the concept of emergency safeguard measures and the need for more focused discussion in the future.</p> <p>GOS had a Workshop on WTO Rules Negotiations of Trade in Services, which was held in Kunming, China on 28-29 June 2006.</p> <p>GOS discussed with the IEG Convenor about an IEG/GOS Joint Workshop on the Relationship between Investment and Trade in Services in RTAs/FTAs and other Investment Agreements at GOS II.</p>

<i>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</i>			
<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>	<i>Last implemented actions</i>
negotiations	<p>Asia-Pacific Region on 1 March 2005.</p> <p>A seminar was organized on scheduling of commitments under the GATS on 2 March 2005.</p> <p>A seminar was organized on WTO Rules Negotiation on Services on 28-29 June, 2006.</p>	<p>Completed (2005)</p> <p>Completed (2006)</p>	

**INVESTMENT 2006 COLLECTIVE ACTION PLAN**

<b>Action</b>	<b>Steps to Implement</b>	<b>Time Frame</b>
<p><b>Transparency</b> <b>Short-Term</b></p> <p>1. Increase the transparency of APEC Investment regimes by:</p> <p>(i) Updating the APEC Guidebook on Investment Regimes.</p> <p>(ii) Establishing software networks on investment regulation and investment opportunities.</p> <p>(iii) Following the commitment made by the APEC Economic Leaders, to pursue implementation of APEC's transparency principles.</p> <p>(iv) Following the adoption of APEC's Best Practice for RTAs and FTAs and commitment by Leaders to enhance transparency.</p>	<p>The 6th Edition of the Investment Guidebook is to be published</p> <p>1. Improving the state of statistical reporting and data collection; and</p> <p>2. Increasing understanding among member economies on investment policy-making issues.</p> <p>Report on implementation of the APEC Transparency Standards as required by Leaders.</p> <p>1. Report on implementation of APEC Best Practice for RTAs/FTAs in the area of investment as required by Leaders in IAP, where appropriate.</p> <p>2. Between IAPs, ensure information on and website links to the investment chapters in RTAs and FTAs maintained by the APEC Secretariat is kept up to date.</p>	<p>Early 2007</p> <p>Ongoing</p> <p>Ongoing</p>
<p><b>Policy Dialogue</b> <b>Short-Term</b></p> <p>B. Promote dialogue with the APEC business community on ways to improve the APEC investment environment</p>	<p>1. Undertake regular discussions with business representatives from member economies including on specific investment challenges and ways to improve APEC investment environment.</p> <p>2. Maintain regular contact with ABAC and PECC and other relevant business organizations including:</p> <p>(i) discussion at IEG meeting of relevant ABAC recommendations to Leaders in the previous year;</p> <p>(ii) consider possible joint projects suggested by IEG or business organizations.</p> <p>3. Request input from ABAC and PECC on major</p>	<p>At least annually</p> <p>Continuous</p>

<i>Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
	<p>APEC investment initiatives including through participation at IEG meetings and other IEG events such as workshops, seminars, or investment symposia.</p> <ul style="list-style-type: none"> <li>▪ Seminar for Promoting Public-Private sector Dialogue</li> </ul>	<p>Ongoing</p> <p>2007</p>
<p>C. Continue a dialogue with appropriate international organizations dealing with global and regional investment issues.</p>	<p>Establish a policy dialogue process with other fora, where appropriate:</p> <ul style="list-style-type: none"> <li>▪ Consider possible cooperation with the IMF on surveying investment environments.</li> <li>▪ To continue dialogue with UNCTAD on current and emerging international investment issues with a view to undertaking joint studies and capacity building projects.</li> <li>▪ To continue dialogue with OECD on current and emerging international investment issues with a view to undertaking joint studies and capacity building projects.</li> </ul>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
<p><b>Study and Evaluation</b> <b>Short-Term</b></p> <p>Define and implement follow-on training to the WTO implementation seminars.</p> <p>D. Undertake an evaluation of the role of investment liberalization in economic development in the Asia-Pacific region.</p>	<p>Continue the development of training and seminars on WTO implementation.</p> <p>Implement the project, <b><i>Enhancing Investment Liberalisation and Facilitation in the APEC Region.</i></b></p> <p>Implement the project, <b><i>Reducing Barriers to Investment across APEC to Lift Growth and Lower Poverty</i></b></p>	<p>Ongoing</p> <p>Stage 1 by September 2006</p> <p>Stage 2 by June 2007</p>
<p>F. Study possible core elements between existing sub-regional arrangements relevant to investment</p>	<p>Review the investment provisions of current sub-regional arrangements including RTA/FTA and BITs, and identify possible core elements. Engage consultant to assist in analysis and reporting.</p> <p>Consider further study of possible relationships between these provisions in the future.</p>	<p>Stage 1 by end Dec 2006</p> <p>Stage 2 by SOM2 2007</p> <p>Stage 3 by SOM3 2007</p>
<p>G. Refine APEC's understanding of free and open investment.</p>	<p>In the context of the 2005 mid-term stocktake of the Bogor Goals, assess the recommendations of Leaders as far as investment liberalization and facilitation and as necessary developing a new work program.</p>	<p>Ongoing</p>
<p><b>Long-Term</b></p> <p>H. Assess the merits of developing an APEC-wide discipline on investment in the light of</p>	<p>To be determined in the light of progress with policy dialogue in the medium-term.</p>	<p>Long-term</p>

<b>Action</b>	<b>Steps to Implement</b>	<b>Time Frame</b>
<p>APEC's own progress through the medium-term, as well as developments in other international fora.</p> <p>I. Study the advantages and disadvantages of creating investment rules – bilateral, regional, or multilateral – with a view to fostering a more favourable investment environment in the Asia-Pacific region.</p> <p>J. Steps to implement: the completion of Phase 1 of the Study on APEC Cross-Border Mergers and Acquisitions undertaken by PECC.</p>		
<p><b>Facilitation</b> <b>Short-Term and Continuing</b></p> <p>K. Undertake practical facilitation initiatives by:</p> <p>(i) Progressively working towards reducing impediments to investments including those investment related to e-commerce;</p> <p>(ii) Undertaking the business facilitation measures to strengthen APEC economies; and</p> <p>(iii) Initiating investment promotion and facilitation activities to enhance investment flow within APEC economies.</p>	<p>Drawing on business and other advice, identify possible areas for improved practices.</p> <ul style="list-style-type: none"> <li>▪ Survey report on Identifying high priority investment barriers and propose necessary policy measures based on surveys of WB, IMD, WEF and JMC, and</li> <li>▪ Symposium on Investment Liberalization and Facilitation at ABAC meeting in Tokyo</li> </ul> <p>Viet Nam workshop on the experience of member economies in attracting investment from transnational corporations.</p> <p>Viet Nam Investment Forum</p>	<p>Ongoing</p> <p>Early 2007</p> <p>May 2007</p> <p>May 2006</p> <p>November 2006</p>
<p><b>Economic and Technical Cooperation</b> <b>Short-Term</b></p> <p>L. Identify ongoing technical cooperation needs in the Asia-Pacific region and organize training programs which will assist APEC economies in fulfilling APEC investment objectives.</p>	<p>1. Identify target areas for technical cooperation including 'best practice' policy/administrative frameworks.</p> <p>(i) model measures for investment chapter of RTAs/FTAs</p>	<p>Ongoing</p> <p>2006-8</p>

<i>Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
	<p>(ii) work cooperatively with OECD and ABAC on the OECD Policy Framework for Investment as possible policy coherence tool</p> <ul style="list-style-type: none"> <li>▪ IEG-OECD Seminar on the PFI</li> <li>▪ High-Level Public-Private Policy Dialogue on the PFI</li> </ul> <p>2. Conduct training courses for officials related to investment:</p> <ul style="list-style-type: none"> <li>▪ Coordinate efforts with other relevant bodies involved in technical cooperation; and</li> <li>▪ An annual exchange of experience program for APEC investment officials and private sector.</li> </ul>	<p>Sept 2006 March 2007</p>
<p><b>Capacity Building Initiatives</b></p> <p>M. Undertake new activities that contribute to capacity building.</p>	<p>Identify the elements of capacity building to strengthen the economies of APEC member economies and undertake the following activities:</p> <p>1. Prepare for trade and investment liberalization:</p> <ul style="list-style-type: none"> <li>• Identify the challenges and the opportunities that voluntary investment liberalization present(s) to investors; and</li> <li>• Identify and implement assistance/strategic measures so that member economies can build confidence and the capacity to sustain their development agenda for mutual benefit.</li> </ul> <p>2. Developing guidelines for the Workplan to create good investment climates in APEC member economies.</p> <p>3. China/Australia Workshop on Non-discrimination Treatment in the Investment Agreement in Xiamen China</p> <p>4. Explore joint capacity building initiatives with other APEC fora/sub-fora:</p> <p>(i) Capacity Building for Investment Liberalisation and Facilitation – (delivered through HRDWG):</p> <ul style="list-style-type: none"> <li>- seminar to deepen understanding on investment-related laws for public and private sectors</li> </ul> <p>(ii) Workshop with MAG on implementation issues in RTAs and FTAs</p> <p>(iii) Workshop with GOS on relationship</p>	<p>Ongoing</p> <p>Ongoing</p> <p>September 2006</p> <p>April 2007</p> <p>February 2006</p> <p>May 2007</p>

<i>Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
	<p>between trade in services and investment in FTAs and investment agreements</p> <p>5. Undertake capacity building activities in the area of investor-state dispute settlement practices in the APEC Region:</p> <ul style="list-style-type: none"> <li>• Study report jointly developed with UNCTAD</li> <li>• 1st Regional Seminar – Mexico City</li> <li>• 2nd Regional Seminar – Cairns</li> </ul>	<p>Sept 2006</p> <p>Oct 2006</p> <p>July 2007</p>
<p><b><i>Menu of Options</i></b></p> <p>N. Ongoing improvements to the Menu of Options.</p>	<ol style="list-style-type: none"> <li>1. Cross-reference between the IAPs and Menu of Options.</li> <li>2. Report on economies' progress in implementing and improving the Menu of Options on Investment (last report by the Ministers Responsible for Trade in 2004).</li> </ol>	<p>Ongoing</p>



## STANDARDS AND CONFORMANCE 2006 COLLECTIVE ACTION PLAN

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
<b>1.Alignment</b>			
Align APEC economies' domestic standards with international standards.	<b>Member economies</b> to align their standards with international standards in the area of IEC standards for electrical equipment, particularly those used in the IEC EE CB Scheme.	2006	2010
	<b>Member economies</b> to align their standards with international standards in the following priority areas: <ul style="list-style-type: none"> <li>• Electrical and electronic appliances (air conditioners, televisions, refrigerators, radios and their parts and video apparatus);</li> <li>• Food labelling;</li> <li>• Rubber gloves and condoms; and</li> <li>• Machinery</li> </ul>	1996	2000/ 2005
	<b>Member economies</b> to align their standards with international standards in the additional priority areas of: <ul style="list-style-type: none"> <li>• electrical and electronic equipment to include all electrical safety (IEC 60335); and</li> <li>• Relevant EMC (CISPR) standards.</li> </ul>	1998	2004/ 2008
	<b>Member economies</b> to align their standards with international standards in the additional priority area related to: <ul style="list-style-type: none"> <li>• Safety of information technology equipment (IEC 60950 standard).</li> </ul>	2000	2004/ 2008
	<b>Member economies</b> to align their standards with international standards in the additional priority area related to: <ul style="list-style-type: none"> <li>• Standards and guides on conformity assessment and management systems.</li> </ul>	2000	2002/ 2005
	<b>The SCSC</b> to continue identifying additional priority areas for alignment with international standards.	From 1997	On-going
	<b>Member economies</b> to actively participate in the standardization activities of international standardization bodies (ISO & IEC) in the following priority sectors: <ul style="list-style-type: none"> <li>• building and construction; and</li> <li>• Hazardous area equipment.</li> </ul>	From 1996	On-going
	<b>Member economies</b> to participate in ad-hoc technical groups, which work with PASC in developing coordinated regional input into the development of international standards in selected areas.	From 1997	On-going
	<b>The SCSC</b> to conduct comprehensive reviews of their alignment work.		
<b>Member economies</b> to update each year the results in their respective alignment plans. These will be placed in the APEC Secretariat's website.	From 1998	On-going	

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
	<p><b>Member economies</b> to continue to report on the progress in aligning their standards with international standards.</p> <p><b>Member economies</b> to review and update their alignment work having consultations with business such as ABAC and SME.</p>	<p>From 1998</p> <p>From 2003</p>	<p>On-going</p> <p>On-going</p>
<b>2. Good Regulatory Practice</b>			
	<p><b>Member Economies</b> to exchange information about performance-based regulations.</p> <p><b>Member economies</b> to promote the use of the Principles and Features of Good Practice for Technical Regulation to be used on a voluntary basis.</p> <p><b>Member economies</b> to update and promote the use of Information Notes on Good Practice for Technical Regulations.</p> <p><b>The SCSC</b> to continue to investigate means of enhancing regulatory practices in the APEC region through a program of case studies and seminars.</p> <p><b>The SCSC</b> to organize a stand-alone meeting of the Trade Facilitation Task Force (TFTF) in the margins of SOM I to discuss the issues that it was originally formed to explore.</p>	<p>From 2002</p> <p>From 2001</p> <p>From 2001</p> <p>From 2000</p> <p>From 2006</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p>
<b>3. Recognition of Conformity Assessment</b>			
<p>Achieve recognition of conformity assessment including mutual recognition arrangements in regulated and voluntary sectors</p>	<p><b>Regulated sector:</b></p> <p><b>Member economies</b> to develop recognition arrangements of conformity assessment including:</p> <ul style="list-style-type: none"> <li>• Bilateral MRAs ;</li> <li>• multi-sectoral; and plurilateral MRAs</li> </ul> <p><b>Member economies</b> to consider participation in the Arrangement for the Exchange of Information on Toy Safety and encourage the involvement of their regulators.</p> <p><b>Member economies</b> to consider participation in the APEC Mutual Recognition Arrangement on Conformity Assessment of Foods and Food Products.</p> <p><b>Member economies</b> to consider participation in the Sectoral Arrangement of APEC Food MRA.</p> <p><b>The SCSC</b> to establish a work plan for Sectoral Food MRA and identify possible areas of Sectoral Food MRA.</p> <p><b>The SCSC</b> to establish a Food Safety Cooperation Forum under the SCSC and organize the 1<sup>st</sup> meeting of Food Safety Cooperation Forum in Australia in April 2007.</p> <p><b>The SCSC</b> to organize a seminar on the development of the APEC Sectoral Food MRA in August 2007 in Thailand.</p> <p><b>Member economies</b> to consider participation in Part I of the APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment through providing information in the agreed common format.</p>	<p>From 1997</p> <p>From 1996 <b>(16 economies)</b></p> <p>From 1997 <b>(7 economies)</b></p> <p>From 2003</p> <p>From 2005</p> <p>From 2006</p> <p>2005</p> <p>From 2000. <b>(15 economies in Part I)</b></p>	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>2005</p> <p>On-going</p>

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
	<p><b>Member economies</b> to consider participation in further Parts of the MRA and encourage the involvement of their regulators.</p>	From 2000 (3 economies in Part II and Part III,)	On-going
	<p><b>Member economies</b> to consider participation in the APEC Arrangement for the Exchange of Information on Food Recalls.</p>	From 1999 (2 economies)	On-going
	<p><b>The SCSC</b> to review the implementation and use of the mutual recognition arrangements.</p>	From 1998	
	<p><b>The SCSC</b> to continue to further consider additional priority areas for MRA in the regulated sector.</p>	From 1997	
	<p><b>The SCSC</b> to consider alternative mechanisms to facilitate the recognition of conformity assessment results.</p>	From 1999	
	<p><b>The SCSC</b> to review and improve the effectiveness of the APEC MRA on Conformity Assessment of Foods and Food Products; the Arrangement for the Exchange of Information on Toy Safety; the APEC Arrangement for the Exchange of Information on Food Recalls; and the APEC MRA on Conformity Assessment of Electrical and Electronic Equipment.</p>	From 2001	
	<p><b>Member economies</b> to implement the program on trade facilitation in information technology products which has been developed in collaboration with the Information Technology Industry Council (ITI).</p>	2000	2005/ 2008
	<p><b>Member economies</b> to consider participation in a pilot of the Declare Net.</p>	From 2001	On-going
	<p><b>The SCSC</b> asked the Working Group on Information Technology Management Systems for the APEC MRAs to liaise with interested parties and report back.</p>	From 2002	
	<p><b>The SCSC</b> also suggested that the Chairs of the APEC-TEL and EEMRA-JAC should meet with a view to working more closely together, particularly with respect to the application of IT systems to the MRA's.</p>	From 2003	On-going
	<p><b>SCSC - JAC</b> to organize a meeting to establish a work programme for ongoing dialogue on EE MRA issues</p>	From 2006	
	<p><b>Voluntary sector:</b></p>		
	<p><b>Member economies</b> to enter into mutual recognition agreements (bilateral and multilateral) in cooperation with Specialist Regional Bodies, where applicable.</p>	1996	2000/ 2005
	<p><b>Member economies</b> to encourage participation in APLAC-MRA, PAC-MLAs and CIPM Global MRA.</p>	From 1998	On-going

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
<b>4. Technical Infrastructure Development</b>			
Promote cooperation for technical infrastructure development to facilitate broad participation in mutual recognition arrangements in both regulated and voluntary sector.	<p><b>Member economies</b> to identify specific requirements, assistance and/or activities for technical infrastructure development.</p> <p><b>Member economies</b> to consider the provision of assistance for the improvement of other economies' technical infrastructure.</p> <p><b>The SCSC</b> to undertake the following technical infrastructure projects:</p> <ul style="list-style-type: none"> <li>• Multilateral Recognition Arrangement (MLA) Readiness Project in Product Certification;</li> <li>• Training Risk Assessment in Support of Food Safety Measures;</li> <li>• Training on Testing on Calibration Laboratory Assessment;</li> <li>• APEC/PASC Training Programs on Adoption of International Standards;</li> <li>• Survey of Accredited Calibration and Testing Laboratory Performance: APLAC Calibration Testing Programs, 2003-2005;</li> <li>• Training on Good Regulatory Practice;</li> <li>• Training Program on ISO 14000 Series Product Oriented Standards: EL, LCA and DfE;</li> <li>• A joint APMP-SIM Workshop Addressing the Implementation of Quality Systems in National Metrology Institutes;</li> <li>• Symposium on Traceability in Legal Metrology;</li> <li>• APEC Capacity Building Workshop and Symposium for Harmonization of Food Safety Regulations in Fisheries and Seafood Products;</li> <li>• WTO Compliance- Capacity Building Training in the Development of Food Standards (based on a risk management framework);</li> <li>• WTO Compliance- Capacity Building Training in the Safety Assessment of Genetically Modified (GM) Foods;</li> <li>• Multilateral Recognition Arrangement (MLA) Readiness Project in Environment Management system Certification;</li> <li>• Training Programme on ISO14000 and product orientated standards EL, LCA and DfE</li> <li>• Publication and Internet Dissemination of the Blueprint for APEC SCSC;</li> <li>• E-learning on the practical use of the environmental product standards: ISO14000 on EL, LCA, Ecodesign and the product related environmental regulations" ;</li> <li>• International Comparisons of Metrology of Standards between NMIs in developing economies;</li> <li>• Seminar on Fire Safe Use of Timber in Construction;</li> </ul>	From 1996  From 1996  From 1999	2005

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
	<ul style="list-style-type: none"> <li>• Seminar and Training courses on Legal Metrology; <b>Member economies</b> to undertake activities from among those recommended in the revised Mid-Term Technical Infrastructure Development Program.</li> <li><b>Member economies</b> to strengthen participation in Specialist Regional Bodies activities.</li> <li><b>Member economies</b> to support and actively participate in APEC Conferences on Standards and Conformance.</li> <li><b>Member economies</b> to support and actively participate in APEC Conferences on Good Regulatory Practice (GRP).</li> <li><b>The SCSC</b> to compile member economies' regulatory profile and develop information and case studies on decision tree analysis for Food/Drug Interface policy development and regulation.</li> <li><b>The SCSC</b> to consider the outcomes of the Food Experts Network.</li> <li><b>The SCSC</b> to continue the identification of priority areas for technical infrastructure development programs, and to be reflected in the development of guidelines for project prioritization.</li> <li><b>Member Economies</b> to fill out their Economy Page.</li> <li><b>Member Economies</b> to fill in the SCSC Trade Facilitation Collective Action Plan Template.</li> <li><b>The SCSC</b> to support capacity building oriented to training business, especially SMEs, improving their knowledge, expertise and skills on standards and conformance matters, including public consultation.</li> <li><b>The SCSC</b> to develop new TF CAP Template in line with CTI guidance and direction and submit to SCSC I meeting in Australia in 2007.</li> </ul>	<p>From 2001</p> <p>From 1996 2006</p> <p>2006</p> <p>From 2001</p> <p>From 2002</p> <p>From 2002</p> <p>From 2002 From 2006</p> <p>2007</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p>
<b>5. Transparency</b>			
Ensure the transparency of the standards and conformity assessment of APEC economies	<p><b>Member economies</b> to update the APEC Contact Points for Standards and Conformance Information, including member economies' participants in the Specialist Regional Bodies and member economies SCSC Contact Points. Member economies agreed that this information should be maintained on the APEC Secretariat's homepage.</p> <p><b>Member economies</b> to endeavour to establish Internet websites to disseminate standards and conformance information.</p> <p><b>Member Economies</b> to develop a database on conformity assessment operators and their activities/services offered and establish an APEC Cooperation Centre for Conformity Assessment.</p> <p><b>Member economies</b> to exchange information on experiences of the transparency provisions in the RTAs/FTAs.</p> <p><b>Member economies</b> to implement the APEC Leaders Transparency Standards on Standards and Conformance.</p> <p><b>Member economies</b> to establish and maintain the economy pages in the Directory of Food Trade Contacts to maximize transparency of food regulatory systems and standards.</p>	<p>From 1997</p> <p>From 1997</p> <p>1999</p> <p>From 2003</p> <p>From 2003</p>	<p>On-going</p> <p>On-going</p> <p>2004</p> <p>On-going</p> <p>On-going</p> <p>On-going</p>

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
<b>6. Cooperation with Specialist Regional Bodies</b>			
	<p><b>Member economies</b> to pursue closer cooperation with the Specialist Regional Bodies (SRBs) in line with the:</p> <ol style="list-style-type: none"> <li>Statement of Commitment to Mutually Agreed Objectives between the SCSC and the SRBs, and</li> <li>The Criteria for APEC TILF Funding of Project Proposals by Specialist Regional Bodies</li> </ol> <p><b>The SCSC</b> to work with the SRBs to make a proposal for consideration at SOM I 2006 to improve coordination between SRBs in capacity building and how to work more closely with APEC to achieve its goals.</p> <p><b>The SCSC</b> to develop "standards education" in cooperation with SRBs, particularly with PASC and to continue to share information and experience on standards education in its future meetings.</p>	<p>From 2000</p> <p>From 2005</p> <p>From 2005</p>	<p>On-going</p> <p>On-going</p> <p>2006</p> <p>On-going</p>
<b>7. Cooperation with International Bodies</b>			
	<p><b>The SCSC</b> to monitor the developments within the WTO Committees on the TBT and SPS and discuss implementation issues.</p> <p><b>The SCSC</b> to continue seminar series to exchange information about the implementation of the WTO SPS Agreement.</p> <p><b>Member Economies</b> to promote the use of the APEC Handbook on Notification Authorities and National Enquiry Points under the SPS and TBT Agreements of the WTO.</p> <p><b>The SCSC</b> to undertake the following projects for the implementation of the APEC Strategic Plan for WTO-related Capacity Building:</p> <ul style="list-style-type: none"> <li>WTO Compliance - Capacity Building training in the Development of Food Standards (based on a risk management framework); and</li> <li>WTO Compliance - Capacity Building Training in the Safety Assessment of Genetically Modified (GM).</li> </ul>	<p>Ongoing</p> <p>From 2002</p> <p>From 2001</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p>
<b>8. Cooperation with Other APEC Fora</b>			
	<p><b>The SCSC</b> to implement Trade Facilitation action Plan collectively.</p> <p><b>The SCSC</b> to pursue better coordination with other APEC fora.</p> <p><b>The SCSC</b> to contact SMEWG for the possible coordination of work to reduce the compliance cost for small and medium enterprises and distribution of relevant information (e.g. Blueprint for APEC SCSC) to SME.</p> <p><b>Member economies</b> to support capacity building activities oriented to training business, especially SMEs, improving their knowledge, expertise and skills on standards and conformance matters, including public consultation.</p> <p><b>Member economies</b> to support the implementation of workplan for improving SMEs access to standards and conformance information.</p> <p><b>The SCSC</b> to develop a work plan on the promotion of the interaction with Business in SCSC's activities.</p>	<p>From 2003</p> <p>From 2001</p> <p>From 2003</p> <p>2006</p> <p>2006</p> <p>2006</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p>

<i>OAA Objectives</i>	<i>Actions</i>	<i>Starting year</i>	<i>Target year</i> Developed/ developing
	<i>The SCSC</i> to implement recommendations by SCSC-CDSG on effective communication and strategic and results-oriented approach in dealing with issues of common interest such as: EU REACH, SAICM, EuP, RoHS and GHS		
<b>9. Reform of SCSC</b>			
	<i>The SCSC</i> to implement its reform through the rationalization of its agenda, priority setting exercise and better coordination with other groups. <i>The SCSC</i> to hold Policy Dialogue sessions on standards and conformance and follow-up the policy implications arising from them. <i>The SCSC</i> to encourage members to use Power Point presentations and upload the documents one month in advance of meetings. <i>The SCSC</i> to review the SCSC TOR.	From 2001  From 2002  From 2004  2006	On-going  On-going  On going

**CUSTOMS PROCEDURES**  
**2006 COLLECTION ACTION OBJECTIVES AND EXPECTED OUTPUTS**

<b>OBJECTIVES</b>	<b>EXPECTED OUTPUTS</b>
1. Harmonization of Tariff Structure with the HS Convention	- The accurate, consistent and uniform application of the HS Convention by all APEC Member Economies
2. Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines and Rulings	- To improve transparency of APEC customs administrations - To enhance APEC customs administrations' competency in the dissemination of information on customs laws, regulations, procedures, rulings and guidelines provided to the business sector on an ongoing basis.
3. Simplification and Harmonization on the basis of the Revised Kyoto Convention	- Simplified and standardized customs procedures implemented by all APEC Member Economies
4. Adoption and Support for the UN/EDIFACT/Paperless Trading	- The implementation by Member administrations of UN/EDIFACT international electronic messaging standards as the basis for their computerization programs
5. Adoption of the Principles of the WTO Valuation Agreement	- The implementation of the Agreement by Members, in a timely and orderly manner, to meet Members' international obligations under the Agreement
6. Adoption of the Principles of the WTO Intellectual Property Rights (TRIPS) Agreement	- A strategic program designed and developed to implement the Agreement by Members, in a timely and orderly manner and to meet international obligations under the Agreement
7. Introduction of Clear Appeals Provision	- Implementation of customs appeal mechanisms by all Members - The enhanced transparency and effectiveness of the appeals process and client service initiatives within APEC customs administrations
8. Introduction of an Advance Classification Ruling System	- The introduction of simplified procedures for an advance classification ruling system to the customs procedures of each APEC Member Economy
9. Provisions for Temporary Importation, e.g., acceding to the A.T.A. Carnet Convention or the Istanbul Convention	- The implementation of the terms of the A.T.A. Carnet and Istanbul Conventions - The provision of a common import/export documents for the temporary importation of goods - An internationally accepted security for goods entitled to temporary admission without payment of duties and taxes
10. Harmonized APEC Data Elements	- The development of a set of trade data elements required for ordinary goods for home consumption - The development of a set of best practices guidelines for the processing and clearance associated with the movement of goods until the goods are no longer under any customs controls
11. Risk Management Techniques	- To focus customs enforcement efforts on high-risk goods and travelers and facilitate the movement of low-risk shipments, through a flexible approach tailored for each APEC Member



<b>OBJECTIVES</b>	<b>EXPECTED OUTPUTS</b>
	Economy - The implementation of a systematic risk management approach will allow APEC customs administrations to facilitate legitimate trade and travel while maintaining control
12. Guidelines on Express Consignments Clearance	- The timely implementation of the international standard for customs clearance of express shipments - Trade facilitation while maintaining essential customs control responsibilities
13. Integrity	- More accountable, consistent, reliable and transparent customs administrations
14. Customs-Business Partnership	- The development of Customs-Business Partnership with the relevant players/parties in the business sector through the signing of MOUs or other instruments of cooperative arrangement - The establishment of permanent and regular liaison/consultation channels between customs and the relevant players/parties in the business sector
15. Time-Release Surveys (TRS)	- Contribution to further trade facilitation by reducing costs and time in the transaction of goods
16. Implementation of APEC Framework based on the WCO Framework of Standards to Secure and Facilitate Global Trade	- For APEC Member Economies to adopt and implement the provisions contained within the APEC Framework

**INTELLECTUAL PROPERTY RIGHTS 2006 COLLECTIVE ACTION PLAN**

	<b>OAA OBJECTIVES</b>	<b>ACTIONS</b>	<b>Status/Target Date</b>
1	<p>Deepening the Dialogue on Intellectual Property Policy – WTO DDA and Protection of IPRs in New Fields</p> <p>Geographical Indications</p> <p>Protection of Emerging IPR Fields</p>	<p>The IPEG members discussed current contentious issues related to the WTO TRIPs Agreement and emerging IP fields.</p> <p>IPEG members continue reporting on recent progress on protection of GI and/or present their views on the matter. APEC Survey on Geographical Indications has been uploaded to APEC IPEG website.</p> <p>IPEG members continue sharing views on Traditional Knowledge, Folklore and Genetic Resources, and providing updates on Plant Variety Protection</p>	<p>Ongoing</p> <p>Ongoing/ Completed</p> <p>Ongoing</p>
2	<p>Trade and Investment Facilitation</p> <p>APEC Anti-Counterfeiting and Piracy Initiative and Model Guidelines</p> <p>APEC IPR Service Centers</p> <p>IPR Policy Progress Mapping</p> <p>Establishing Effective Systems for IPR Enforcement</p> <p>Regional Trade Agreements/Free Trade Agreements</p>	<p>IPEG discussed extensively the three Model Guidelines endorsed in 2005 and agreed to adopt and develop reporting templates. The text of two additional Model Guidelines on Public Awareness programs and Secure Supply Chains was also developed for APEC endorsement. Additional templates are expected next year.</p> <p>The IPEG collated the status of members in relation to the setting up of IPR service centers. China reported on their establishment of an IPR Service Center. Thirteen APEC economies have set-up these centers to date, and IPEG continues to encourage those remaining to follow suit.</p> <p>Viet Nam reported to IPEG on their new Intellectual Property Law.</p> <p>IPEG members continue to report on their programs and successes in IPR enforcement. A symposium on IPR and Border enforcement was conducted in Los Angeles in September 2006.</p> <p>IPEG agreed to include a new Agenda Item on RTAs/FTAs. Preliminary discussions are ongoing and an economy has been designated to take the lead in developing an information matrix covering APEC members concerns.</p>	<p>Completed/ Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing / by IPEG 24 in January 2007</p>

	<i><b>OAA OBJECTIVES</b></i>	<i><b>ACTIONS</b></i>	<i><b>Status/Target Date</b></i>
3	Support for Easy and Prompt Acquisition of Rights  Trademarks  Cooperation on Examinations and Searches	IPEG members continue to share experiences and best practices in this area. The International Trademark Association (INTA) attended an IPEG meeting to share its perspective  IPEG members reported on their experiences, and continue to share information in this regard.	Ongoing  Ongoing
4	Electronic Processing of IPR Related Procedures	The IPEG members shared experiences of developing and running electronic systems, such as electronic filing systems and electronic dissemination of information.	Ongoing
5	IP Utilization  Promoting IP Asset Management in APEC Economies  Raising Public Awareness	IPEG members actively reported on their activities in this area. An APEC Workshop on Intellectual Property for Small and Medium-Sized Enterprises and Micro-Enterprises was held in Hanoi in February 2006 and it had presentations on IP identification and asset management.  IPEG members continue to share information on this issue. The <i><b>Model Guidelines for Effective Public Awareness Campaigns</b></i> directly addresses this need and once endorsed, it should provide excellent guidance. An APEC Workshop on Effective Strategies for IP Public Education was held from 8-10 November in Hong Kong, China.	Ongoing/ Completed  Ongoing/ Completed

**COMPETITION POLICY 2006 COLLECTIVE ACTION PLAN**

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

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

<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
	Meeting in 2005, members will voluntarily report on the utilizing the Checklist.	
i) Undertake capacity building programs to assist economies in implementing the "APEC Principles to Enhance Competition and Regulatory Reform".	<p>A. Organizing the APEC Training Course on Competition Policy (CTI 09/2006T)</p> <p>B. Formulate a capacity building project (APEC funded) to assist members in utilizing the APEC-OECD Integrated Checklist</p>	<p>Implementation in 2006</p> <p>Implementation in 2007</p>

**GOVERNMENT PROCUREMENT 2006 COLLECTIVE ACTION PLAN**

	<i>Objectives</i>	<i>Actions</i>	<i>Status/Target Date</i>
<b>A</b>	<b><i>Support for the multilateral trading system</i></b>		
		Continue to monitor progress of the WTO Working Group on Transparency in government procurement and consider further contributions, if appropriate.	Ongoing
		GPEG to keep a watching brief over options for GPEG support for the WTO.	Ongoing
	Share and discuss GPEG members' experience with regional and bilateral free trade agreements in the area of government procurement.	Assist the establishment of government procurement FTA model measures.	Ongoing
<b>B</b>	<b><i>Trade Facilitation</i></b>		
	To review consistency of government procurement systems with APEC GPEG Non-Binding Principles (NBPs) on government procurement, noting that actions to achieve this are voluntary.	Member economies are invited to provide updates where appropriate.	Ongoing
		All member economies should regularly review and update their summary information on the AIMP.	Ongoing
	To exchange information on development of e-procurement in government procurement in ways consistent with the newly revised GPEG NBPs, and consider/develop relevant capacity building approaches.	Encourage member economies to present on their experience in implementing e-procurement systems for government procurement and discuss ways of advancing GPEG work in this area.	Ongoing
	Capacity Building Project – Business Outreach.		2006
	To provide greater access for business to government procurement information.		
<b>C</b>	<b><i>Transparency and Anti-corruption</i></b>		
	To review consistency of government procurement systems with the newly revised NBPs	Encourage member economies to complete voluntary reviews of the consistency of their government procurement systems with the newly revised NBPs.	Ongoing
	To complete revision of NBPs	Revision of NBPs completed	2006
	To implement GPEG's anti-corruption and transparency workplan	Publish the GPEG paper summarizing the elements of the NBPs relevant to anti-corruption and transparency.	Ongoing
		Hold a seminar on transparency in the government procurement and e-procurement	

	<b>Objectives</b>	<b>Actions</b>	<b>Status/Target Date</b>
	Capacity Building Project - ACT	(Completed) Research the outcomes of the recent ADB/OECD anti-corruption survey in government procurement and feedback to GPEG members.	Ongoing
<b>D</b>	<b>Promoting the Digital Economy and better IPR protections</b>		
		Share with IPEG areas of mutual interest, including IPEG presenting at a GPEG meeting.	SOM III 2006
<b>E</b>	<b>Other Areas</b>		
	Build greater engagement with the business sector and other stakeholders.	Build a closer relationship between the SME Working Group.	2006
		Increase accessibility by business to information on AIMP.	2006
		Form a working relationship with ABAC to build better ties with the business community, particularly on transparency.	Ongoing
		Work the APEC Communications Unit to disseminate information to business.	Ongoing
		Review of the inclusion of gender issues in NBP completed.	SOM I 2006
	Contribute to mid term review of progress toward Bogor Goals	In addition to the information already provided by GPEG and the member economies, work with CTI to provide further information as required.	Ongoing
	Contribute to APEC reform agenda	Examine ways to reduce duplication in reporting on government procurement, including in IAP templates.	Ongoing



**DEREGULATION 2006 COLLECTIVE ACTION PLAN**

<i>Collective Action</i>	<i>Steps to Implement</i>	<i>Time Frame</i>
(a) Publish annual reports detailing actions taken by APEC economies to deregulate their domestic regulatory regimes.	Individual economies agreed that this would occur within their IAP (Individual Action Plan) reporting on reforms to their domestic regulatory regimes, and to update such reports annually.	Continuous.
(b) Develop further actions taking into account the above reports, including:  i) Policy dialogue on APEC economies' experiences with regard to best practices in deregulation, including the use of individual case studies to assist in the design and implementation of deregulatory measures, and consideration of further options for a work program which may include:  - identification of common priority areas and sectors for deregulation  - provision of technical assistance in designing and implementing deregulation measures; and  - exploration of the possibility of establishing APEC guidelines on domestic regulation.	A. Take stock of information already gathered in APEC on regulatory regimes and regulatory reform with a view to identifying common experiences, and technical assistance needs and availability.  B. Promote dialogue and understanding within APEC, through focused discussion, on the experiences of APEC economies and on the principles applied to and best practices in, regulatory reform (drawing on the short-term information gathering exercise).  C. Formulate a capacity building project (APEC funded) to assist members in utilizing the APEC-OECD Integrated Checklist  D. Develop a common understanding of the interrelationships between competition policy, deregulation and trade liberalization.  E. Individual Economies to take action oriented undertakings directed to the implementation of the "APEC Principles to Enhance Competition and Regulatory Reform" by APEC Fora and Sub-fora.  F. Maintain and deepen dialogue with other international organizations considering competition policy and deregulation issues.	Continuous.  Continuous.  Implementation in 2007  Continuous  Continuous  Continuous

**MOBILITY OF BUSINESS PEOPLE 2006 COLLECTIVE ACTION PLAN**

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

<i>OAA Objectives</i>	<i>Action</i>	<i>Time Frame</i>
<p><b>Business Temporary Residency</b> Implement streamlined temporary residence processing arrangements for the intra company transfer of executives, senior managers and specialists, as defined by individual economies.</p>	<p>Members to continue to implement, on a best endeavors basis, the agreed 30 day service standard for the temporary residency processing of executives, senior managers on intra-company transfers, and specialists (as defined by individual economies), where all necessary documentation is completed. Members to continue to report on processing times (standing item). Members to consider streamlining access to work permission/authorization for spouses of personnel on intra company transfer, on request, and on a best endeavors basis.</p>	Ongoing
	<p>Members to report to BMG meetings on implementing e-commerce facilities (standing item).</p>	Ongoing
<p><b>Capacity Building (Technical Cooperation And Training)</b> Develop and implement the mutually agreed standards and benchmarks essential to capacity building and engage in the capacity building initiatives necessary to provide streamlined visa application and immigration entry, stay and departure processing.</p>	<p><b>Professional Service</b></p> <p>Economies to report on progress at BMG SOM meetings on implementation of agreed professional service standards (standing item).</p> <p>At SOM III 2006, Members agreed to establish a BMG Professional Service Working Group and to its Terms of Reference. In the first instance, the Working Group will review the current standards and make recommendations on any proposed changes or amendments to update or otherwise improve the standards document.</p>	BMG Working group on Professional Service to report to SOM I 2007.
	<p>At SOM III 2001, the BMG endorsed a standards paper for Document Examination and Fraud detection. These standards are being used by economies to develop their current capacity.</p>	Implementation of the standards is ongoing on an individual, best endeavors basis.
	<p>Document security and related issuance systems. The standards and guidelines take into account all relevant international standards. The first phase of the project to develop draft standards was completed with a workshop conducted in July 2003.</p> <p>A workshop was conducted in March 2004 in Sydney by Australia (phase 2) to raise economies' awareness of the standards and international best practice and developments in respect of biometrics.</p> <p>At SOM III 2004 the BMG agreed that all</p>	<p>Phase One completed July 2003</p> <p>Phase 2 completed in March 2004</p> <p>Ongoing with</p>

<i>OAA Objectives</i>	<i>Action</i>	<i>Time Frame</i>
	<p>APEC economies will begin issuing Machine Readable Travel Documents (MRTDs), if possible with biometrics by 2008, and on a best endeavors basis, endeavor to accelerate replacement of non-MRTDs by MRTDs as well as implement ICAO travel document security standards. Economies report on progress at BMG on implementation of the standards, including MRTDs at meetings (standing item).</p> <p><b>Biometrics</b></p> <p>The BMG received funding from the BMG (March 2006) to undertake a TILF funded project to build the capacity on biometric technology in travel documents and border systems (CTI 30/2006T) via the conduct of two capacity building events: a seminar in Ho Chi Minh on 22–23 May attended by 54 experts from 19 economies and a workshop in July 2006 in Hong Kong, China attended by 45 experts from 18 economies.</p> <p>At SOM III 2006, Members agreed to continue capacity building. Subject to BMC approval, Australia will lead a TILF funded project to produce a reference document covering the technical and non-technical issues, best practices and options for financing, cost recovery, procurement and other issues associated with adopting biometric machine readable travel documents and related border systems.</p>	<p>implementation by end 2008, on a best endeavours basis.</p> <p>Project completed July 2006</p> <p>Subject to TILF approval, under the project an Experts' editorial workshop is to be held on the margins of SOM II 2007. A Publication Launch and seminar will be held on the margins of SOMIII 2007.</p>
	<p><b>API Pathfinder Initiative</b></p> <p>The BMC approved TILF funding (1 August 2002) for a project to conduct feasibility studies in three APEC economies to assess the requirements for the implementation of Advance Passenger Information systems, to be conducted during 2002 and 2003. A second project to conduct feasibility studies was approved in July 2003 by the BMC.</p> <p>Since then, some 10 economies have had an API feasibility study: Thailand (Aug 02), The Philippines (Nov 02), Indonesia (Feb 03), Korea (July 03), Chile (Sept 03), Chinese Taipei (Oct 03), China (Jul 04), Viet Nam (Oct</p>	<p>Ongoing</p> <p>More economies to implement API in 2005.</p>

<i>OAA Objectives</i>	<i>Action</i>	<i>Time Frame</i>
	05), Brunei (Feb 06) and Peru (July 2006) To date, 11 economies have either implemented or have announced their commitment to implementing an API system, including: Australia; Canada; Hong Kong, China; Korea; Japan; Malaysia; Mexico; New Zealand; Chinese Taipei; Thailand; and the United States.	
	<p><b><i>Immigration Legal Infrastructure Standards</i></b></p> <p>The BMC approved TILF funding (1 August 2002) for a project to develop standards and benchmarks for Immigration legislation. A workshop of Immigration law experts was convened in July in 2003 and Legal Infrastructure standards, covering all aspects of Immigration processes and issues, were ratified by the BMG at its 2004 SOMI meeting in Santiago.</p>	Standards ratified February 2004. Implementation ongoing
	<p><b><i>Regional Movement Alert System (RMAS) (Formerly RMAL)</i></b></p> <p>The BMG is overseeing the conduct of a pilot Regional Movement Alert System (RMAS) and a report will be presented to Leaders in 2006. The RMAS pilot has enhanced border security and facilitated the travel of genuine business travelers. At SOM III 2006, the BMG noted:</p> <ul style="list-style-type: none"> <li>• the success of the multilateral phase of the RMAS pilot between Australia, the United States and New Zealand;</li> <li>• that RMAL was ready to move from a pilot to a fully operational system and that a number of economies have expressed interest in joining; and</li> <li>• the renaming of RMAL to the Regional Movement Alert System (RMAS), to reflect the design of the system which accesses economies' lost and stolen databases not a shared data list.</li> </ul> <p><b><i>Multi-Lateral Framework</i></b></p> <p>At SOM III 2006, the BMG endorsed the final Multi-lateral Framework (MLF), Model Economy MOU and Management Board Governance Charter for RMAS. The MLF states the principles, standards and operational arrangements which will enable RMAS to operate consistently and effectively in the region for economies that join the initiative.</p>	<p>Ongoing, more economies expected to join RMAL in 2007.</p> <p>Completed and endorsed September 2006.</p>

<i>OAA Objectives</i>	<i>Action</i>	<i>Time Frame</i>
	<p><b><i>Contribution to Interpol ICPO Database</i></b></p> <p>The BMG agreed at SOM I 2005 to a recommendation that members cooperate to ensure that members provide lost and stolen travel documents to the International Criminal and Police Organization (ICPO) database by end 2006, on a best endeavors basis. Economies are reporting on implementation at BMG meetings.</p>	Ongoing/until end 2006
	<p><b><i>Dialogue with ABAC and Business Community</i></b></p> <p>BMG to continue to brief ABAC members on meeting outcomes and to attend ABAC meetings on invitation. During 2006, the BMG considered further recommendations by the ABAC to improve the operation of the card. The BMG will continue to consult closely with the ABAC, and ABAC members were in attendance at all BMG meetings in 2006.</p>	Ongoing
	<p>BMG to continue to work with ABAC to engage the APEC business community in improving business mobility (strategy agreed at SOM II, 2000).</p>	Ongoing
	<p>Members continue consult with their business community in their home economies on mobility issues and report on any identified issues of concern to the BMG.</p>	Ongoing
	<p>Members provide information (including on the ABTC Scheme) and encourage feedback from the business community about the BMG's initiatives via the Business Mobility website.</p>	Ongoing

***APPENDIX 8***

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***Reviewed Non-Binding Principles of  
Government Procurement***





## **GOVERNMENT PROCUREMENT EXPERTS' GROUP**

### **APEC NON-BINDING PRINCIPLES ON GOVERNMENT PROCUREMENT: (SEPTEMBER 2006)**

#### **Introduction**

The Government Procurement Experts' Group (GPEG) was established in 1995 to consider ways to achieve increased transparency and enhanced liberalisation of government procurement markets in accordance with the Bogor Declaration.

GPEG developed a set of APEC Non-Binding Principles on Government Procurement (NBPs), which were endorsed by APEC Leaders at their meeting in 1999 in Auckland, New Zealand. The NBPs have contributed to the successful promotion of transparency and the liberalisation of government procurement markets across member economies. The first round of voluntary reviews and reports to GPEG against the NBPs has been completed by member economies.

GPEG members will work towards the application of these principles, taking into account the General Principles in the Osaka Action Agenda, including the General Principle of flexibility. Individual member economies are in the best position to decide on the applicability of individual elements of the NBPs, taking into account the specific characteristics of their economy and the costs and benefits of adopting specific measures. The NBPs will not prejudice the positions of members in their future negotiations of free trade agreements, regional trade agreements, or in the World Trade Organisation (WTO).

At their meeting in Los Cabos, Mexico, in October 2002, APEC Leaders adopted the **Statement to Implement APEC Transparency Standards**, calling for the development of transparency standards specific to each work area of the Osaka Action Agenda. GPEG developed **Transparency Standards on Government Procurement** (based on the transparency provisions in the NBPs), which were endorsed by APEC Leaders and adopted as part of the Leaders' Transparency Statement at their meeting in Santiago, Chile, in November 2004.

The transparency standard for government procurement replaces the transparency NBP. This document incorporates the NBPs and the separate transparency standard.

The NBPs on Government Procurement are:

1. Value for Money
2. Open and Effective Competition
3. Accountability and Due Process
4. Fair Dealing and
5. Non Discrimination.

The NBPs provide information on these issues and include links to additional information to inform the practical implementation of these principles. The examples on practices included represent some of the possible ways to give effect to the elements of the principles, and are not intended to be prescriptive or exhaustive.

#### **1. Value for Money**

- 1.1 Value for money is the benefit gained by means of identifying the product or service that provides the most advantage to stakeholders, when considered over the entire procurement cycle from identification of need to disposal of an asset. These advantages include price and cost but also relate to factors beyond these.
- 1.2 Government procurement practices and procedures should be directed to achieving the best available value for money in the acquisition of goods and services to deliver, or support the delivery of, government programmes.

- 1.3 The test of the best available value for money is a comparison of relevant benefits and costs on a whole-of-life basis. In a procurement process achieving value for money requires a comparative analysis of **all** relevant costs and benefits of each proposal throughout the whole procurement cycle. This is called whole-of-life costing and it follows that value for money is an important consideration during each phase of a procurement.
- 1.4 A typical procurement process involves identification of need and desired outcomes, planning the procurement and selecting a procurement method, approaching the market, evaluation of suppliers and their offers, negotiation and award of contract, delivery of goods and performance of services, management of contracts, and disposal of assets.
- 1.5 Purchase price alone is not an adequate indicator of value for money. The lowest-priced compliant offer does not necessarily represent best value for money. Rather, when assessing alternative procurement solutions whole-of-life consideration includes factors such as:
  - market maturity;
  - the performance history of each prospective supplier;
  - the relative risk of each proposal;
  - financial considerations including benefits and costs over the whole procurement cycle; and
  - the evaluation of contract options.
- 1.6 In order to be in the best position to determine value for money when conducting a procurement process approaches to the market need to clearly specify relevant conditions for participation and evaluation criteria for a given procurement. This enables the proper identification, assessment and comparison of the costs and benefits of all submissions on a fair and equitable basis over the whole procurement cycle.
- 1.7 Further information on assessing Value for Money on a whole-of-life basis is available here. (See annex 1)

## **2. *Open and Effective Competition***

- 2.1 Competition is an important element in achieving due process, fair dealing and value for money in a procurement.
- 2.2 Open and effective competition requires the use of competitive procurement processes.
- 2.3 When undertaking a procurement, governments need to conduct an appropriately competitive process of a scale commensurate with the size and risk profile of the particular procurement.
- 2.4 Procurement processes should aim to provide appropriate opportunities to potential suppliers and encourage open and effective competition in government markets.
- 2.5 Government procurement opportunities should be open and accessible to all suppliers. The bidding environment should be predictable. New suppliers should have the opportunity to enter the market.
- 2.6 In many economies, government policy determines specific procurement procedures to encourage competition and eliminate discrimination in a procurement process. Governments should consider the costs imposed on governments and potential suppliers when determining how a procurement process should be conducted. These costs should be assessed considering the scale, scope and relative risk of the proposed procurement, and how value for money and effective competition may be achieved.
- 2.7 Governments should respond to conditions that limit competition as soon as they are identified. Limitations should be effectively addressed.
- 2.8 Further information on Open and Effective Competition is available here. (See annex 2)

### **3. *Accountability and Due Process***

- 3.1 Accountability is a primary consideration throughout the entire procurement cycle.
- 3.2 Accountability in terms of government procurement is a government's responsibility to stakeholders for their procurement activities. Governments must be accountable for their procurement processes given the large amounts of public money expended through procurement activities.
- 3.3 Accountability means that officials are responsible for the actions and decisions that they take in relation to procurement and for the resulting outcomes. Officials are answerable for such activity through established lines of accountability.
- 3.4 Government officials have the responsibility of ensuring that any procurement process is open and transparent and that decisions are justified. This is best achieved by ensuring that procedures are in place to guarantee that procurement processes are conducted in an accountable manner and that procurement related actions are documented, defensible and substantiated in accordance with government policies.
- 3.5 Due process is an important element of accountability, as well-planned, conducted and documented procurements that accord with government policy are more likely to withstand external scrutiny. Processes that ensure accountability can include transparency measures such as documentation, policy and legislative obligations, disclosure of information, reporting, and complaints processes.
- 3.6 Due process is an established course for government process carried out regularly, fairly and in accordance with established legislation, rules and principles. Due process is designed to safeguard the rights of the individual.
- 3.7 Due process also requires that procurement legislation and regulations must be related to legitimate government interests and may not contain provisions that result in the unfair or arbitrary treatment of an individual supplier or economy. Due process should safeguard the right of an aggrieved supplier to a fair hearing.
- 3.8 Independent scrutiny such as audit facilitates accountability and due process.
- 3.9 Further information on Accountability and Due Process is available here. (See annex 3)

### **4. *Fair Dealing***

- 4.1 Fair dealing is the transacting of business in a manner characterized by openness and full disclosure. Fair dealing also involves avoiding conflicts of interest and self-dealing, such as transactions undertaken by a government official on his or her own behalf. The procurement process should be designed and procurement activities should be conducted in a fair, reasonable and equitable manner and with integrity.
- 4.2 Fair dealing is especially important in government procurement because it involves the expenditure of public funds and procurement activities are thus subject to public scrutiny.
- 4.3 Commercially sensitive information should be kept secure and should not be used for personal gain or to prejudice fair, open and effective competition.
- 4.4 Ethics are the rules or standards governing the conduct of an individual or group. This set of principles of right conduct establishes the moral boundaries or values within which officials work. Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency.
- 4.5 Ethical behaviour identifies and avoids conflicts of interest and does not make improper use of an individual's position.

- 4.6 A procurement conducted in an ethical manner will enable government officials and potential suppliers to deal with each other on a basis of mutual trust and respect. Adopting an ethical and transparent approach enables business to be conducted fairly.
- 4.7 Government officials have an obligation to treat all participating potential suppliers as equitably as possible. Governments should also ensure that procedures are in place to treat all potential suppliers fairly. These procurement process rules need to be clear, open, well understood and applied equitably to all parties to the process.
- 4.8 Further information on Fair Dealing is available here. (See annex 4)

## **5. Non Discrimination**

- 5.1 Non Discrimination aims to prevent bias for or against businesses or products.
- 5.2 Suppliers should be assessed on their ability to meet the requirements of the procurement, based on their legal, commercial, technical and financial abilities. Although size and location may at times be valid technical considerations, suppliers should not be excluded from tendering opportunities or denied equitable treatment because of their degree of foreign or domestic affiliation or ownership, location or size.
- 5.3 Bids should be evaluated and contracts awarded strictly according to the published criteria. Government should also not discriminate against suppliers on the basis of considerations such as gender, culture and beliefs, or ethnic origins.
- 5.4 Information on procurement opportunities should be equitably provided to all potential suppliers.
- 5.5 The procurement process rules need to be clear, open, well understood and applied equitably.
- 5.6 Further information on Non Discrimination is available here. (See annex 5)

## **6. Transparency**

Transparency provides assurance that procurement processes undertaken by governments are appropriate and that policy and legislative obligations are being met. Transparency involves governments taking steps to support appropriate scrutiny of their procurement activity. Transparency in general is addressed in the *APEC Transparency Standards*<sup>1</sup>. This document contains the *Transparency Standards on Government Procurement*. (See annex 6)

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<sup>1</sup> Document Number 028

**GOVERNMENT PROCUREMENT EXPERTS' GROUP**

**APEC NON-BINDING PRINCIPLES ON GOVERNMENT PROCUREMENT: ADDITIONAL INFORMATION  
(SEPTEMBER 2006)**

**VALUE FOR MONEY**

Government procurement procedures should be directed towards achieving the best available value for money in the acquisition of goods and services to deliver, or support the delivery of, government programmes.

As defined by the revised NBPs on Government Procurement, the test of the best available value for money is a comparison of relevant benefits and costs on a whole-of-life basis.

The following information is supplementary to the NBPs and aims to assist governments, industry and the public in understanding how value for money is achieved in government procurement. This includes:

1. Assessment of need and desired outcomes;
2. Selection of an appropriate procurement method; and
3. Evaluation of suppliers and their offers.
4. The procurement process itself should also provide value for money.

**1. Assessment of need and desired outcomes**

1.1 The desired outcomes of a procurement activity should be accurately identified. This assists government officials in identifying those factors that will contribute to the value of the procurement's outcome. Government officials should not over-specify or under-specify the attributes and performance required to accomplish their objectives as these actions may affect the quality of value for money achieved.

1.2 In practice, in identifying the desired outcomes of a procurement activity, government officials may consider:

- where, why and when the need arises and for how long and for which unit or location;
- the program objectives and functional requirements, with a focus on what is to be achieved rather than how it is to be done, to encourage innovative solutions that may improve the value for money outcome;
- whether the need is for the replacement or enhancement of existing resources, or to meet an entirely new requirement; and
- any alternatives, including the use of in-house resources.

1.3 Buyers may also develop a business case, including:

- consideration of funds availability;
- analysing and refining the initial statement of need;
- taking specialised advice from technical and procurement experts and on product availability, industry capability and potential risks or constraints;
- identification and treatment of any risks related to the procurement;
- anticipated costs and benefits on a whole of life basis;
- identifying the costs of project management, including support requirements for technical and commercial expertise at the project approval stage, when these resources will need to be identified and the project team appointed.

## **2. *Selection of an appropriate procurement method***

- 2.1 Government officials should, according to the needs of each procurement situation, choose the method that is likely to achieve the best value for money outcome. This includes encouraging levels of competition among suppliers commensurate with the anticipated value for money benefits from that competition.
- 2.2 No single type of procurement fulfils all requirements. Government officials should choose the method for each procurement that would best enable them to achieve value for money outcomes from a range of procurement methods according to the circumstances of each purchase. Procurement processes should be designed to facilitate appropriate levels of competition.
- 2.3 In practice, while open and competitive tendering should generally be the preferred method of tendering, in selecting the appropriate procurement method, government officials may take into account:
- the strategic importance of the procurement;
  - the complexity and/or cost of the procurement;
  - the complexity of the marketplace and environment in which that procurement shall be undertaken; and
  - constraints such as urgency, compatibility with existing goods and services, or existence of a sole source of supply.

## **3. *Evaluation of suppliers and their offers***

- 3.1 Government officials should evaluate suppliers and their offers to identify the bid offering the best value for money.
- 3.2 Government officials should:
- evaluate offers in a comprehensive and fully professional manner by taking account of the benefits and costs involved on a whole-of-life basis;
  - establish or verify the competence, viability and capability of prospective suppliers;
  - confirm that products offered comply with requirements including fitness for purpose and time frames and reflect an understanding of the needs of the end-user;
  - assess and allow for relevant risks;
  - ensure that unnecessary costs are avoided and other costs are reduced wherever possible; and
  - ensure that the contractual agreements entered into are a comprehensive and accurate reflection of the terms, conditions and obligations agreed between the suppliers and government officials.
- 3.3 In practice, supplier evaluation may be done through a pre-qualification process and/or be part of the evaluation of bids. When evaluating suppliers, government officials may consider their management competence, financial status, technical competence and other matters such as their legal identity, previous contract performance and similar information that will provide an indication of the suppliers capability to meet the procurement requirements. Evaluation criteria should be published as part of the procurement documents.
- 3.4 Evaluation of offers should be done in a whole-of-life context, so as to ensure that the best value is obtained for the procurement. Besides price and fitness for purpose, other factors that may be taken into account include performance, quality, reliability, delivery, inventory costs, running costs, warranties and after-sale support, and disposal.
- 3.5 In addition, negotiation, if not prohibited, may be considered to improve the value of a procurement outcome under certain circumstances, for example, when:
- it appears from evaluation that no one tender is obviously the most advantageous in terms of the specific evaluation criteria set forth in the tender notices or documentation;

- only one tender is received;
- potential suppliers raise reasonable objections or propose alternatives to the prescribed terms and conditions;
- offer prices are unfair and unreasonable in the circumstances; or
- there are substantial risks for either party warranting negotiation.

3.6 As a good policy, and to provide the government officials with the legitimacy for conducting negotiations, it is advisable to state in the tender notices and/or tender documentation that the government officials reserve the right to negotiate for the best offer and, if the submission of alternative proposals is allowed, that alternative proposals that improve the value of the offer may be submitted.

#### **4. *The procurement process providing value for money***

4.1 Procurement systems should themselves represent value for money.

4.2 Government officials should regularly monitor and evaluate their procurement systems to ensure that they are efficient, effective, and appropriate and continue to represent value for money. Costs to government officials and suppliers of procurement activities should be minimised as far as possible.

4.3 This may be achieved by the following practices:

- procurements are effectively planned and approved prior to commencement;
- specifications are not unnecessarily complex or onerous;
- procurement activity is not unnecessarily complex, costly or time-consuming, but is still designed to adequately deliver value for money outcomes;
- pre-qualification, short listing and staged-procurement are undertaken where appropriate;
- evaluation criteria and conditions for participation are not unduly complex or costly for government officials and suppliers to address;
- contracts resulting from procurement activities should be managed so as to produce the best available value outcomes; and
- procurement officials should be trained and competent.

**GOVERNMENT PROCUREMENT EXPERT'S GROUP**

**APEC NON-BINDING PRINCIPLES ON GOVERNMENT PROCUREMENT: ADDITIONAL INFORMATION  
(SEPTEMBER 2006)**

**OPEN AND EFFECTIVE COMPETITION**

Government procurement should be open and procurement methods should suit market circumstances. Government procurement should be transparent and readily accessible to the public and in particular to all potential suppliers. In addition, there should be a predictable bidding environment in which suppliers can readily evaluate their competitiveness and their chances of winning contracts.

The following information is supplementary to the NBPs and aims to assist governments, industry and the public in understanding how open and effective competition is achieved in government procurement. This includes:

1. Encouraging competition in government procurement;
2. Responding to conditions that limit competition; and
3. Non-discrimination.

**1. Encouraging Competition in Government Procurement**

- 1.1 Procurement processes should be designed to encourage levels of competition among suppliers, commensurate with the anticipated value for money benefits from that competition.
- 1.2 Considerations include:
  - ensuring that the maximum number of potential suppliers are able to compete. This includes ensuring access for potential new suppliers to opportunities, consistent with value for money principles and with the efficient operation of the procurement system;
  - ensuring that procurement procedures are flexible enough to accommodate market conditions; and
  - avoiding unnecessary costs for government officials and suppliers.
- 1.3 In practice, government officials may choose from open, limited or restricted procurement processes depending on the circumstances of each procurement.
- 1.4 The following may be necessary to ensure that a procurement action facilitates effective competition:
  - specifications are adequate and drawn up, where possible, in terms of performance, functional and/or operational requirements using international or other relevant standards;
  - "or equivalent" should be added to a particular trademark, patent, design or type, specific source of origin, producer or supplier prescribed in tender documentation;
  - sufficient time for preparing submissions is allowed to enable interested suppliers to participate in the procurement process;
  - where practicable, sufficient time is allowed to enable interested suppliers to initiate and complete any necessary qualification procedures;
  - requests for offers are made in good time, effectively promoted in the market and are clear, succinct and informative;
  - submissions are evaluated expeditiously on a whole-of-life basis against notified criteria, giving all participating suppliers full opportunity to demonstrate the benefits they can provide; and
  - any negotiation undertaken with suppliers is conducted in a structured and ethical manner by trained and experienced negotiators.
- 1.5 Good market knowledge can help government officials to design and plan the procurement process, to identify possible new sources of supply as well as to conduct the procurement in the most effective manner. Government officials may use methods such as Invitation to Register Interest or Request for Proposals to identify the market and available or possible products or services, or to



encourage suppliers to propose solutions where the fundamental nature of a solution to a requirement is not clear.

**2. *Responding to conditions that limit competition***

2.1 Government officials should ensure that limitations to competition are effectively addressed.

2.2 Competition may be limited by factors such as existence of monopolies or cartels, limited number of qualified suppliers, urgency of requirements, need for compatibility with existing products and difficulty in persuading suppliers to bid. Government officials should adjust their procurement method to achieve the best value for money in such limited competition situations.

**GOVERNMENT PROCUREMENT EXPERTS' GROUP**

**APEC NON-BINDING PRINCIPLES ON GOVERNMENT PROCUREMENT: ADDITIONAL INFORMATION  
(SEPTEMBER 2006)**

**ACCOUNTABILITY AND DUE PROCESS**

Government procuring agencies and government officials are seen to be accountable to their governments, the end users, the public and suppliers for the efficient, cost-effective and fair conduct of their procurement.

The following information is supplementary to the NBP of Accountability and aims to assist governments, industry and the public in understanding how accountability is achieved in government procurement. This includes:

1. Accountability throughout the Procurement Process;
2. Record keeping;
3. Independent scrutiny; and
4. Review Mechanisms.

**1. Accountability throughout the Procurement Process**

- 1.1 Governments should establish clear procurement laws, regulations, policies, and procedures to ensure that procurement processes are open and transparent and that decisions are justified. These measures should be widely available and known to government officials who undertake procurement. Government officials should follow them without intentional or negligent infraction throughout the entire procurement process.

**2. Record Keeping**

- 2.1 Proper records should be kept of the entire procurement process, including decisions and actions taken during the procurement process and the reasons for taking them, to an extent that is sufficient to justify the decisions and actions taken. These records should be retained for a predetermined period.

- 2.2 In practice, matters that should be documented include:

- specifications of the items and/or services to be procured;
- approval to spend public monies;
- selection of procurement methods and justification for selections;
- criteria for evaluating and selecting successful submissions;
- discussions with potential suppliers before submissions are due;
- opening and authentication of the submissions received;
- names of the suppliers who have participated in the procurement process;
- contents of invalid submissions and reasons they have been excluded from the process based on non-compliance with conditions for participation and evaluation criteria;
- decisions on selection of successful submissions including assessment against conditions for participation;
- authorisation and signing of contracts; and
- reasons for varying a contract.

**3. Independent Scrutiny**

- 3.1 Mechanisms for the scrutiny of the procurement process and channels for review of complaints should be available. Governments should ensure that robust accountability frameworks are in place to ensure procurement decisions withstand external scrutiny.

**3.2** Scrutiny mechanisms should be put in place to support and ensure accountability and due process. Such mechanisms should operate in ways that are independent, according to their circumstances, scope, and objectives, and are not subject to the authority, control or influence of scrutinised entities. They should also treat, and be seen to treat, all parties even-handedly and fairly.

3.3 In practice, such mechanisms may include:

- management controls and internal audit procedures designed to ensure efficiency, economy and probity in a government official's use of public resources;
- internal scrutiny of actions or decisions of a government official or section within an agency by another official or section of that agency; and
- scrutiny by another government agency, which may or may not be independent of government influence, such as an ombudsman and/or government audit organization.

#### **4. *Review Mechanisms***

4.1 Mechanisms should be put in place for handling complaints about procurement processes or alleged breaches of procurement laws, regulations, policies and procedures which cannot be resolved through direct consultation with the procuring agency in the first instance. Such mechanisms should provide independent, impartial, transparent, timely and effective procedures for the review of such complaints or alleged breaches by suppliers who have, or have had, an interest in the procurement concerned.

4.2 In practice, this can include:

- designating a review body for the purpose of an objective and impartial review of the complaints or alleged breaches. The review body may take the form of a court, an independent review body, a government agency not directly involved in the procurement, or a reputable private sector arbitration or mediation service. The review body should have no interest in the outcome of the procurement and its members should be secure from external influence during the review;
- providing for correction of the breaches or compensation for the loss or damages caused, which may be limited to the costs of tender preparation or protest;
- making information on the review mechanism including its scope, objectives and operations, and the rights and obligations of all parties involved, readily available and accessible to suppliers; and
- making the review mechanism available equally to domestic and foreign suppliers.

**GOVERNMENT PROCUREMENT EXPERTS' GROUP**

**APEC NON-BINDING PRINCIPLES ON GOVERNMENT PROCUREMENT: ADDITIONAL INFORMATION  
(SEPTEMBER 2006)**

**FAIR DEALING**

Fair dealing promotes public confidence in the procurement process and mutual trust and respect between the buyers and suppliers. This includes a clear understanding by all parties to a proposed transaction in regard to their obligations and expectations. This will in turn encourage participation and contribute to achieving the best value for money in the acquisition of goods and services. Unethical behaviour, on the contrary, will add costs to and/or reduce the quality of the goods and services procured and damage the image of the procuring entity.

The following information is supplementary to the NBPs and aims to assist governments, industry and the public in understanding how fair dealing is achieved in government procurement. This includes:

1. The Procurement Process;
2. Disclosure of Interests;
3. Gifts, Benefits and Hospitality;
4. Confidentiality and Accuracy of Information; and
5. Separation of Responsibilities and Authorisation.

**1. The Procurement Process**

**1.1 The procurement process should be fair and seen to be fair, and should treat all parties even-handedly.**

**1.2 This may be achieved by the following practices:**

- contact between government officials and suppliers should be on a formal basis once the formal procurement process starts;
- all suppliers should be accorded fair and equitable opportunity and treatment at all stages of procurement;
- qualifications of suppliers and technical specifications should not be prepared, adopted or applied to create unfair advantages to some suppliers;
- submissions should be kept securely until they are opened by designated officials, who should authenticate the submissions and keep a duplicate copy before passing them to the officers responsible for the evaluation process. There should be clear policy or regulations setting out the circumstances under which they would be excluded from the procurement process.
- clear and reasonable time limits should be set for various stages of the procurement process and should be followed strictly by all parties. In particular, there should be a clearly defined policy on whether and in what circumstances late offers may be accepted;
- evaluations should be undertaken by more than one evaluating staff member or a committee to verify that the offers contain all the published conditions for participation and evaluation criteria;
- any short listing process for negotiations should be conducted in a fair and equitable manner and any negotiations should be conducted in a structured and ethical manner;
- bids should be evaluated and contracts awarded strictly according to the published criteria. Any action that the buyer is entitled to take, such as negotiations or cancellation of approaches to the market, should be included in the published documentation; and
- complaints or appeals from suppliers should not prevent them from participating in future procurement processes.

## **2. *Disclosure of Interests***

- 2.1 Government officials should not allow the pursuit of private interests to interfere with the proper discharge of their official duties. Also, they should not allow their conduct to warrant any suspicion of conflict between their official duties and their private interests.
- 2.2 Early and open disclosure of personal interests will allow management to prevent a conflict of interest from arising.
- 2.3 In practice:
- Government officials should disclose any interest, directly or indirectly possessed, which conflicts or might reasonably be thought to conflict with their public duties, or improperly influence their conduct in the discharge of their public duties; and
  - procuring agencies should have a systematic way to address conflict of interests. For example, where a procurement officer possesses an interest which conflicts with their public duties, the basis of that interest should be discontinued, or the person should cease the duties involved or obtain management permission to continue.

## **3. *Gifts, Benefits and Hospitality***

- 3.1 Government officials should not solicit or accept gifts, benefits or hospitality which might influence or be perceived to influence the conduct of their duties. Potential suppliers should not seek to influence government officials in their duties by gifts, benefits or hospitality.
- 3.2 In practice:
- government officials should not solicit or accept benefits or advantages whether for themselves, their immediate family or business concern or trust with which they are associated from persons who have or seek to have contracts with their agencies;
  - government officials should not accept any gift or hospitality from suppliers except as may be permitted under the rules of their agencies;
  - when it is difficult to decide whether an offer of gift or hospitality is acceptable or not, government officials should decline the offer or seek the advice of a superior;
  - government officials should report to management immediately any attempts by suppliers to undermine impartiality and independence of action by the offer of benefits or other form of inducement;
  - government officials should avoid occasions where their presence may appear to imply a close relationship with the suppliers or lead to perception of a conflict of interest;
  - procuring agencies should have a clear policy on whether their officials may accept any purchasing privileges offered to them by suppliers. If such privileges are allowed, value and quantity limits should be set. It is vital that the requirement for fairness and equity is not compromised by this practice, which can place government officials under pressure to regard certain suppliers favourably.

## **4. *Confidentiality and Accuracy of Information***

- 4.1 Information given by government officials in the course of their work must be accurate, impartial and not designed to mislead.
- 4.2 In practice, government officials should:
- not give one supplier's prices to another to meet or beat;
  - not reveal details of commercial arrangements, including the details of contract pricing, in a way that compromises the commercial interests of the supplier or contractor concerned;
  - safeguard commercially sensitive information physically so that other parties do not release it deliberately or inadvertently; and

- not use information obtained in the course of official duties to gain directly or indirectly a pecuniary advantage for themselves or for any other person.

4.3 If a procuring agency engages consultants to assist in the tender evaluation process, they should also be subject to the principles above. The contractual agreements with such consultants should contain a statement to this effect. The contractual agreements with such consultants should also stipulate that information gained during the tender evaluation may not be disclosed for a specified period after the evaluation.

**5. *Separation of Responsibilities and Authorisation Power***

5.1 To minimise the risk of unethical behaviour including fraud and corruption, a procuring agency should separate where practicable the various responsibilities and authorisations in procurement. One method of achieving this is to rotate duties to ensure that key decision areas are not continuously in the control of one individual. Rotation can reduce the risk of biased relationships developing between a particular staff member and a supplier, or the appearance of this.

**GOVERNMENT PROCUREMENT EXPERTS' GROUP**

**APEC NON-BINDING PRINCIPLES ON GOVERNMENT PROCUREMENT: ADDITIONAL INFORMATION  
(SEPTEMBER 2006)**

**NON-DISCRIMINATION**

Procurement laws, regulations, policies, and administrative guidelines should not be prepared, adopted or applied so as to afford preference to or bias against, the goods, services or suppliers of any particular economy.

The following information is supplementary to the NBPs and aims to assist governments, industry and the public in understanding how non-discrimination is achieved in government procurement.

The use of discriminatory practices in government procurement undermines the competitive process and thus the ability of member governments to achieve the best possible value for money outcomes.

3.1 In practice, non-discrimination can be achieved through the following:

- the same information on procurement opportunities should be available in a timely manner to all potential suppliers. For example, publishing tender information on the Internet allows information to be available instantaneously to all interested suppliers regardless of their location;
- criteria for qualification of suppliers, evaluation of bids, and award of contracts should be based solely on the ability to meet the procurement criteria and conditions for participation published in the approach to the market;
- where open tendering is not practical, selective invitation to tender should be based on non-discriminatory and objective conditions for participation, consistent with the open and effective competition principles and practices;
- tender specifications should not be prepared, adopted or applied to create bias for or against the goods, services or suppliers of any particular economy;
- submissions should be evaluated and contracts awarded strictly according to the published criteria;
- post-tender negotiations, if allowed, should be notified in the tender notice and tender documentation. In the course of negotiations, government officials should not discriminate between goods, services or suppliers of different economies. Also, any opportunity to submit revised bids should be provided on a non-discriminatory basis;
- any debriefing should be available to all participating suppliers, and review procedures to all participating suppliers and suppliers having an interest in the procurement concerned, on a non-discriminatory basis; and
- suppliers should not be unjustifiably excluded from the procurement process.

3.2 Notwithstanding the above, the principle of non-discrimination should not prevent member economies from taking actions that are necessary for the protection of their essential security interests relating to the procurement of arms, ammunition or war materials; or to procurement indispensable for security or defence purposes. This exception should have limited application; it should not be used in an arbitrary or unjustifiable manner with the intention or effect of unnecessarily undermining the non-discrimination principle or restricting international trade.

3.3 A government procurement measure that is necessary to protect human, animal or plant life or health or the environment is consistent with the principle of non-discrimination, provided such a measure is not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between member economies where the same conditions prevail or a disguised restriction on trade between the member economies.

**APEC LEADERS' TRANSPARENCY STANDARDS  
SANTIAGO, CHILE – 21 NOVEMBER 2004**

**GOVERNMENT PROCUREMENT**

Introduction

The Government Procurement Experts Group (GPEG) was established in 1995 to consider ways to increase transparency of, and liberalise, government procurement markets in accordance with the goals of the Bogor Declaration. APEC identified and agreed a collective action plan for government procurement. A key component of the plan was to develop a set of non-binding principles on government procurement. This was in line with the APEC General Principle of flexibility, enunciated in the Osaka Action Agenda: "Considering the different levels of economic development among the APEC economies and the diverse circumstances in each economy, flexibility will be available in dealing with issues arising from such circumstances in the liberalisation and facilitation process".

In 1999 GPEG completed the Non-Binding Principles on Government Procurement (NBPs) that identify elements and illustrative practices on the principles of transparency, value for money, open and effective competition, fair dealing, accountability and due process, and non-discrimination. The NBPs have the support and commitment of all Economies and have been adopted as the basis of the Government Procurement section of APEC economies' annually revised Individual Action Plans recording progress towards the Bogor goals of free and open trade and investment.

The NBPs have been a major contributor to the success of Economies and GPEG in promoting transparency in government procurement. The majority of GPEG members have completed their voluntary reviews and reports of their government procurement systems against the non-binding principle of Transparency. Through this process, Economies are exploring how best to implement the principles and to voluntarily bring their systems into conformity with them. This general transparency principle applies to all aspects of government procurement, including the elements of the general operational environment, procurement opportunities, purchase requirements, bid evaluation criteria and award of contracts. Establishing and maintaining transparent procurement markets not only assists Economies to learn from each other but also enables industry to obtain a clear understanding of the procurement markets operating within member economies.

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.

Paragraph 7 of the Leaders' Statement states that, consistent with the transparency standards in paragraphs 1-6 of the Leaders' Statement, Economies will follow the transparency provisions contained in the APEC Government Procurement Experts Group (GPEG) NBPs. In paragraph 8 of the Leaders' Statement, APEC Leaders instructed that "APEC sub-fora that have elaborated transparency provisions should review these regularly and, where appropriate, improve, revise or expand them further," and also instructed that such new transparency provisions should be presented to Leaders upon completion for incorporation into the Leaders' Statement. Ministers Responsible for Trade meeting in Khon Kaen on June 2-3 "instructed officials to complete work underway to develop area-specific Transparency Standards."

The Transparency Standards on Government Procurement, as set out below, are consistent with and fully reflect the General Principles in the Leaders' Statement and the transparency-related provisions of the NBPs. Implementation of both the Transparency Standards on Government Procurement and the NBPs will promote transparency in government procurement in the Asia-Pacific region.

Transparency Standards on Government Procurement

Transparency in the government procurement context means that sufficient and relevant information should be made available to all interested parties consistently and in a timely manner through a readily accessible, widely available medium. This applies to all aspects of government procurement, including the general



operational environment, procurement opportunities, purchase requirements, bid evaluation criteria and award of contracts.

1. Consistent with paragraph 1 of the Leaders' Statement, each Economy will:
  - (a) ensure that its laws, regulations, and progressively judicial decisions, administrative rulings, policies (including any discriminatory or preferential treatment such as prohibitions against or set asides for certain categories of suppliers), procedures and practices (including procurement methods) related to government procurement (collectively referred to as "procurement rules") 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) designate an official journal or journals and publish the procurement rules in such journals on a regular basis and make copies of the journals readily available to the public (e.g., via the Internet); and
  - (c) promote observance of the provisions of this paragraph by the regional and local governments and authorities within its customs territory.
2. Each economy will disseminate information on its procurement rules, for example, by:
  - (a) publishing either a positive or negative list of the procuring entities subject to its rules; and
  - (b) providing a description of its procurement rules on the APEC Government Procurement Experts Group Home Page and linking its government procurement Home Page, where available, with the APEC Government Procurement Experts Group Home Page.
3. Consistent with paragraph 2 of the Leaders' Statement, when possible each Economy will publish in advance any procurement rules that it proposes to adopt; and provide, where applicable, interested persons a reasonable opportunity to comment on such proposed procurement rules.
4. Consistent with paragraph 3 of the Leaders' Statement, each Economy will endeavor upon request from an interested person or another Economy to promptly provide information and respond to questions pertaining to any actual or proposed rules. Each Economy will also establish contact points for such inquiries.
5. Consistent with paragraph 4 of the Leaders' Statement, in administrative proceedings applying to any procurement rule, each Economy will ensure 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.
6. Consistent with paragraph 5 of the Leaders' Statement, 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.

7. Each Economy will endeavour to maximize transparency in access to procurement opportunities. This should be accomplished where possible by:
  - (a) where open tendering is adopted, publishing procurement opportunities in a medium readily accessible to suppliers (e.g., on the Internet);
  - (b) making the same information on procurement opportunities available in a timely manner to all potential suppliers;
  - (c) publishing contact details of purchasers, and their product/ service purchase interests, for suppliers wishing to register their interest in being notified of bidding opportunities that may not be publicly advertised;
  - (d) making available early advice of complex high-value procurement needs through staged procedures such as public requests for information, requests for proposals and invitations for pre-qualification, and allowing adequate time for interested suppliers to prepare and submit a response;
  - (e) making publicly available requirements and procedures for pre-qualification of suppliers; and
  - (f) any time limits established for various stages of the procurement process.
8. Each Economy will make available for suppliers all the information required to prepare a responsive offer. This should include where possible:
  - (a) providing in procurement notices the following information: the nature of the product or service to be procured; specifications; quantity, where known; time frame for delivery; closing times and dates; where to obtain tender documentation, where to submit bids, and contact details from which further information can be obtained;
  - (b) providing any changes to participating suppliers; and
  - (c) providing tender documentation and other information to suppliers promptly on request.
9. Each Economy will maintain transparent criteria for evaluating bids and evaluate bids and award contracts strictly according to these criteria. This should be done where possible by:
  - (a) specifying in procurement notices or tender documentation all evaluation criteria, including any preferential arrangements; and
  - (b) maintaining, for a predetermined period proper records of decisions sufficient to justify decisions taken in the procurement process.
10. Each Economy will award contracts in a transparent manner. This should be accomplished where possible by:
  - (a) publishing the outcome of the tender including the name of the successful supplier and the value of the bid; and
  - (b) as a minimum promptly notifying unsuccessful suppliers of the outcome of their bids and where and when contract award information is published, and debriefing unsuccessful suppliers on request.
11. Consistent with paragraph 11 of the Leaders' Statement, an Economy does not need to disclose confidential information where such disclosure would impede law enforcement, the enactment of laws, or that would be contrary to the public or national interest, or compromise security of the economy concerned or that would prejudice the legitimate commercial interests of particular persons or enterprises. Each economy will keep commercially sensitive information secure and prevent its use for personal gain by procurement officials or to prejudice fair, open and effective competition.

***APPENDIX 9***

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***Framework for Evaluating Pathfinders***



## ***FRAMEWORK FOR EVALUATING PATHFINDERS***

### ***Objectives***

- To develop clear and objective criteria with which existing pathfinder initiatives can be evaluated.

### ***Framework***

1. Name of the pathfinder/lead economy/CTI sub-fora
  - Current membership: participating economies and year that they joined.
2. Does the issue remain a high priority for APEC economies?
  - Nature of the pathfinder. Details of business support for this pathfinder.
  - How the pathfinder assists participating economies to achieve the APEC Bogor goals or other priorities established by Leaders or Ministers?
  - What is the original timeframe for implementation of the initiative and expected date of completion of the initiative?
  - Were there any concrete activities/deliverables in the past twelve months?
3. Assessment of the progress made since inception
  - At the outset, were there more than 25% of APEC member economies ready to participate in the initiative?
  - If not, after a year of pathfinder status, had there been at least 25% of the APEC member economies ready to participate?
  - After 3 years of pathfinder status, were there at least 50% of member economies' participating in the initiative?
  - If not, has there been at least an indication that at least 50% of member economies would be able and willing to participate in the initiative within the next year?
4. Is there a strategy to advance the pathfinder in the next twelve months?
  - Have there been requests made for technical assistance by economies interested in participating in the pathfinder?
  - To what extent have these requests been met?
  - Has the provision of technical assistance improved the implementation of the pathfinder?
  - Is there a communication strategy to promote this pathfinder to the business community or other stakeholders?
5. How will the ultimate objective of the pathfinder - full participation by APEC members – be met?
  - What are the main impediments to further progress of the pathfinder?
  - Is there a strategy to achieve participation by other APEC members?
  - Describe progress in encouraging non-participants to join the pathfinder – how many member economies would be able and willing to participate in the next year?
6. Recommendation (CTI/relevant working group/lead economy advice for SOM)
  - Measures to improve the performance of the pathfinder
  - Reason to continue/revise the pathfinder
  - Reason to terminate the pathfinder

***(Note: There are eight pathfinder initiatives endorsed by Leaders. However, not all of them are under CTI sub-fora's responsibility)***

- Trade and the Digital Economy (US 2002) – ***CTI***
- Implementation of the Advanced Passenger Information System (Australia 2002) - ***BMG***
- E-cert SPS (Australia 2002) - ***ECSG***
- Kyoto Pathfinder (Australia 2002) - ***SCCP***
- Mutual Recognition Arrangement for Conformity Assessment of Electrical and Electronic Equipment (Australia 2002) - ***SCSC***
- Electronic Certificates of Origin (Singapore 2002) - ***ECSG***
- Corporate Governance (Australia 2002) – ***Finance Minister Process***
- Sectoral Food MRA (Thailand 2003) - ***SCSC***

***APPENDIX 10***

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***Terms of Reference of CTI Sub-Fora***





***MARKET ACCESS GROUP (MAG)***

***TERMS OF REFERENCE***

1. To undertake practical work on market access issues in support of the multilateral trading system
2. To examine the market access implications of preferential trade agreements
3. To act as a focal point for advancing and integrating CTI objectives with respect to information and development of databases on tariffs and non-tariff measures
4. To implement and enhance the agreed Collective Action Plan (CAP) on market access issues

## ***GROUP ON SERVICES (GOS)***

### ***TERMS OF REFERENCE***

1. To formulate GOS Work Programme including the implementation and enhancement of the Collective Action Plan (CAP) on services:
  - To undertake practical work on services issues including rules in support of the multilateral trading system.
  - To examine the role of services in preferential trade agreements, including undertaking studies that promote understanding of issues relating to such agreements.
  - To undertake activities aimed at a better understanding of the role of services in an economy.
  - To assist developing economies in undertaking domestic studies on services.
2. To identify areas of cooperation in the services sector that contributes towards building developmental and export capacity.
3. To serve as a channel for dialogue and exchange information on services-related issues.
4. To review and evaluate the functions and activities of GOS.

## ***INVESTMENT EXPERTS GROUP (IEG)***

### ***TERMS OF REFERENCE***

#### ***1. Background***

In 1993 APEC Leaders welcomed the report presented by the APEC Eminent Persons Group which recommended to “adopt an Asia Pacific Investment Code to reduce the uncertainties and transaction costs of trade and investment in the region”. On the same occasion Leaders instructed CTI to develop a set of Non-binding Investment Principles. In 1994 CTI established the Investment Experts Group (IEG) to address this task and the IEG produced the Non-Binding Investment Principles, which was endorsed by APEC Leaders in Jakarta in 1994. As a CTI sub-forum the IEG has continued to work to enhance liberalization and facilitation of investment, as well as strengthen member economies’ capacity building through investment and technical cooperation, under the authority of CTI.

#### ***2. Objectives***

Bearing in mind the ultimate goal of economic development and prosperity of the APEC region, the objectives of the Group are set as follows:

- 2.1 To undertake work related to investment and report its outcomes to CTI.
- 2.2 To address issues related to investment and to enhance the liberalization and facilitation of investment in the APEC region.
- 2.3 To enhance capacity building in the area of investment through economic and technical cooperation among member economies in the APEC region.
- 2.4 To support investment promotion activities of member economies to facilitate investment flows in the region.

#### ***3. Scope of Activities***

- 3.1 The Group will undertake works to enhance liberalization and facilitation of investment, as well as capacity building and investment promotion activities of member economies, on a non-binding and voluntary basis, which includes the review and updating of agreed work plans and related issues, as appropriate.
- 3.2 The Group will provide policy recommendation on investment issues to CTI.
- 3.3 The Group will cooperate and coordinate activities, as appropriate, with other APEC fora related to investment.
- 3.4 The Group will serve as a focal point and develop collaboration with relevant regional and international organizations (e.g. OECD and UNCTAD) in promoting investment.
- 3.5 The Group will collaborate closely with the private sector, including in particular through ABAC, and undertake various activities to create better business environment for investment in the region.

#### ***4. Structure***

- 4.1 The Group shall comprise experts on investment and officials responsible for investment policies in all member economies.
- 4.2 The IEG Convenor or IEG Chair shall be elected by and from among IEG members and serve a term of no more than three years. A Vice Chair may be elected.
- 4.3 The Group will meet at least twice a year.
- 4.4 The Group shall review all aspects of its operations every 5 years.

## ***APEC SUB-COMMITTEE ON STANDARDS AND CONFORMANCE (SCSC)***

### ***TERMS OF REFERENCE*** (Revised in October 2006)

#### **1. *Mandate***

Pursuant to the 1994 Declaration on Standards and Conformance Framework, the APEC Sub-Committee on Standards and Conformance (SCSC) is established under the authority of the APEC Committee on Trade and Investment (CTI). The SCSC shall undertake work to further the objectives set out in these Terms of Reference and provide policy recommendations to the CTI on aspects of APEC's work on standards and conformance in the region.

The SCSC shall have no set term, subject to a review of its mandate and Terms of Reference by the CTI, every three years.

#### **2. *Objectives***

The objectives of the SCSC are:

- to reduce the negative effects on trade and investment flows in the region due to differing standards, technical regulations and conformance arrangements in the region; and
- to facilitate enhanced market access through improved standards, regulations and conformance procedures, and the further development of open regionalism and market-driven economic interdependence in the Asia Pacific region by:
  - encouraging greater alignment of member economies' standards with international standards, including where standards are used as the basis for technical regulations;
  - liaising more closely, and developing greater consistency of approach to standards and conformance issues in relevant regional and international bodies;
  - making progress on the issue of recognition arrangements of conformity assessment in the region;
  - encouraging cooperation on technical infrastructure development as a means to promote trade facilitation and development;
  - increasing the transparency of standards, technical regulations and conformance arrangements in the region;
  - promoting greater regulator to regulator dialogue (coordinated by trade facilitators where appropriate) as a means to help resolve regulatory issues which can impede trade, particularly where regulators are responsible for setting the technical regulations, standards and the associated conformity assessment procedures;
  - encouraging business involvement in standards and conformance activities;
  - promoting standards education and awareness building activities to address the significance of standards and conformance in the region; and
  - encouraging and supporting the new member economies and developing ones to actively participate in the SCSC's activities.

In pursuing these objectives, the SCSC should be guided by the following principles:

##### ***i) Efficiency of the work program***

The work program on standards and conformance will make efficient use of the results and activities of existing regional and international organisations and take into account the work of other APEC fora such as TEL so that redundancy and duplication can be avoided. Priority shall be given to subjects that fall within the focus of the work program. The SCSC meeting agenda shall be rationalized on the basis of these priorities to take into account the limited resources of member economies and time constraints. To complement this rationalization and in order to avoid further inefficiencies, the SCSC fora will also endeavour to keep track of subjects discussed within the

agenda of previous SCSC meetings and related fora, building upon these to foster the consistency of the work program.

**ii) Focus of the work program**

Work which can contribute to development and trade facilitation will be given priority. Accordingly, the SCSC's work program will focus on priority areas in the fields of closer alignment of standards with international standards, and recognition of conformity assessment activities such as electrical equipment and food products.

**iii) Strategic Definition of the Work Program**

The work program on standards and conformance will take into consideration trends in standards and conformance as well as in trade facilitation, consumer protection, and business requirement.

**3. Scope of Activity**

**3.1 Alignment with International Standards**

The broader adoption of, and alignment with, international standards by APEC members is an important element of APEC's program for expanding regional trade and investment flows and the development of production networks.

To this end member economies will endeavour to:

- pursue regional cooperation in accordance with international agreements such as the WTO Agreements on Technical Barriers to Trade and Sanitary and Phytosanitary Measures;
- identify areas where alignment with international standards is feasible and to review on a regular basis member economies' existing standards, with a view, where appropriate, to aligning them with international standards;
- explore practical options for regulatory cooperation to reduce the negative impact of different regulatory requirements on regional trade;

where appropriate, complement the work of the Specialist Regional Bodies in the development and review of international standards, including in cooperation with other APEC members;

- discuss current technical regulation policy issues related to trade with the view to facilitating trade and regulatory effectiveness.

Member economies may also endeavour to:

- promote the use of the **Guide for Alignment of APEC Member Economies' Standards with International Standards**, insofar as the Guide is consistent with the new ISO/IEC Guide 21-1:2005 and ISO/IEC Guide 21-2:2005;
- consider ways in which member economies could give positive consideration to accepting as equivalent the standards and technical regulations of other members, even if they differ from their own, provided they are satisfied that these regulations adequately fulfil the objectives of their own regulations;
- continue to monitor and oversee that standards and technical regulations are not prepared, adopted or applied with a view to, or with the effect of, creating unnecessary obstacles to international trade;
- ensure that technical regulations are reviewed, on a regular basis, so that they are achieving objectives in the least restrictive manner;
- update and promote the use of the APEC **Guidelines for the Preparation, Adoption and Review of Technical Regulations**;
- update and promote the use of Information Notes on Good Practice for Technical Regulation;
- promote the use of the Principles and Features of Good Practice for Technical Regulation to be used on a voluntary basis; and

- exchange information on standards and technical regulations.

### **3.2 Cooperation with Regional and International Bodies**

The SCSC's work will be designed to complement, rather than substitute, that already taking place in Specialist Regional Bodies such as Asia Pacific Laboratory Accreditation Cooperation (APLAC), Asia Pacific Legal Metrology Forum (APLMF), Asia Pacific Metrology Program (APMP), Pacific Accreditation Cooperation (PAC) and the Pacific Area Standards Congress (PASC). In addition, the SCSC's work will be aimed at developing a more coherent regional perspective for articulation in broader international bodies. To enhance closer regional cooperation, member economies will endeavour to:

- collaborate closely with Specialist Regional Bodies;
- consider, where appropriate, joint action within appropriate international fora towards shared objectives;
- coordinate the SCSC's work program with, and where appropriate, draw upon the expertise and the experience of regional and international bodies;
- foster an effective interface between regional and international fora; and
- ensure that the SCSC's work builds upon, rather than duplicates, the work undertaken in regional and international bodies.

### **3.3 Recognition of Conformity Assessment**

APEC member economies recognise the gains which can be made by recognition of conformity assessment activities within the region. Recognition of conformity assessment includes, but is not limited to, recognition of:

- conformity assessment results;
- supplier's declarations of conformity;
- technical equivalence of conformity assessment procedures by
  - accreditation; or
  - peer-assessments amongst conformity assessment bodies.

Recognition arrangements on certification, inspection, testing calibration and accreditation can reduce costs and delays associated with duplicate evaluation of products. The development of broader networks of recognition arrangements throughout the region will greatly assist the SCSC's work program.

Accordingly, member economies will endeavour to:

- progress mutual recognition arrangements as well as other types of recognition of conformity assessment within the region;
- examine scope and mechanism for mutual recognition and other approaches to facilitate the acceptance of conformity assessment results on an area-by-area basis (laboratory testing, product certification, quality systems certification, etc.) and/or a sector-by-sector basis with the latter being defined by regulatory area; and
- use internationally recognised processes and procedures in line with principles included in the WTO/TBT Agreement when evaluating testing, calibration, inspection, certification and accreditation systems
- discuss conformity assessment policy issues to develop a better understanding of the impact of conformity assessment on regional trade; and
- participate, where practicable, in regional and international fora concerned with conformity assessment.

### **3.4 Technical Infrastructure Development**

APEC member economies recognise that differing levels of technical infrastructure in the region may represent a constraint on meeting trade facilitation objectives, including on the expansion of mutual

recognition arrangements throughout the region. A focus of APEC's work program will therefore be to identify areas where closer technical cooperation on aspects of infrastructure development would assist capacity building to reduce technical barriers to trade.

Accordingly member economies will endeavour to:

- consider the provision of appropriate assistance to develop member economies' technical infrastructures, including activities that complement WTO capacity building;
- take steps to build confidence between accreditation and conformity assessment bodies based on demonstrated competence;
- pursue cooperation among relevant parties including private, public and academic sectors to develop and enhance standards education infrastructure and awareness building in the region; and
- Perform analysis of the needed investment to develop technical infrastructures as a way to promote development and facilitate trade.

### **3.5 Transparency**

To increase the transparency of standards, technical regulations and conformance arrangements in the region member economies will:

- prepare, and keep updated, an APEC contact list for standards, technical regulations and conformance information;
- establish contact points which are able to respond to enquires from other economies;
- investigate and enhance the availability and means of access to information on member economies' standards, technical regulations and conformity assessment requirements; and
- endeavor to implement the 1997 Transparency Survey recommendations and to take such other measures as may be agreed.

## **4. Mode of Operation**

The SCSC will normally meet in conjunction with CTI meetings *in SOM I and SOM III, unless otherwise decided by member economies.*

The SCSC shall operate on the basis of consensus, and in line with agreed APEC rules and guidelines.

### **4.1 Participation**

The SCSC shall be open to all APEC member economies.

The SCSC will be composed of representatives nominated by member economies and drawn from agencies responsible for standards and conformance issues as well as trade policy matters.

The officers of the SCSC shall comprise the Chair and two Vice-Chairs.

The Chair of the SCSC shall be a representative of the SOM Chair, unless otherwise determined by the SCSC. The Chair shall be responsible for appointing two Vice-Chairs, normally the immediate past and incoming Chairs, who shall be endorsed by member economies.

The SCSC shall invite representatives from APLAC, APLMF, APMP, PAC, PASC, and other international bodies, as appropriate, to attend meetings.

The SCSC shall encourage the participation of the business communities of member economies to attend the SCSC plenary meeting as guests for specific agenda items.

The SCSC may, as appropriate and with the consensus of all member economies, establish ad hoc task forces or expert groups it considers necessary to assist the conduct of its work program.

#### **4.2 *Coordination***

The SCSC will take account of the activities of other APEC fora with which its work should be coordinated.

#### **4.3 *Business Involvement***

The SCSC will encourage business involvement and private sector participation in standards and conformance activities. To this end, the SCSC will seek the assistance of the APEC Business Advisory Council (ABAC) and others, as appropriate.

#### **4.4 *Consumer Involvement***

The SCSC will encourage consumer involvement and participation in standards and conformance activities. To this end, the SCSC will liaise with APEC Consumer Education and Protection Initiative (CEPI) and others, as appropriate.



## ***APEC SUB-COMMITTEE ON CUSTOMS PROCEDURES***

### ***TERMS OF REFERENCE***

#### ***Statement of Intent***

APEC Leaders and Ministers have determined that Customs Administrators will pursue efforts to simplify and harmonize customs procedures to facilitate trade transactions among APEC economies, as outlined within the Trade and Investment Framework. The Sub-Committee on Customs Procedures (SCCP), which reports to the Committee on Trade and Investment (CTI), was established in 1994 as a forum in which to carry out the direction of APEC Leaders and Ministers relating to customs matters. The SCCP has developed a multi-year action plan, which includes practical measures to meet this direction. The action plan is not a static document but, rather, is in an almost constant state of development as the work of customs administrations evolves to meet the demands of globalized economies. In view of the fact that the work of the SCCP will be required on an ongoing basis, the SCCP recommends to the CTI that the SCCP, continue to exist for an indefinite period of time, but that its mandate and terms of reference be reviewed at the end of every three year period.

In making this recommendation, the SCCP notes that the Heads of Customs Administrations will provide policy direction for the development of work projects for the SCCP, through appropriate means.

The SCCP's goals within the APEC forum are focused on trade facilitation and related enforcement matters, taking into account the responsibility of each Customs Administration for the effective implementation of legitimate border measures.

#### ***Terms of Reference***

Consistent with the Statement of Intent, the SCCP will identify and pursue:

1. Projects for regional enhancement of harmonized and simplified Customs procedures.
2. Projects on enforcement matters related to trade facilitation.
3. Joint projects and linkages with other government agencies and business/private sector organizations related to trade facilitation.
4. Projects which contribute to the common development of customs human resources.
5. Projects which foster an IT-friendly environment in Customs procedures including paperless trading initiatives.
6. Projects which promote the security of the global supply chain and promote trade facilitation.
7. Yearly completion of the SCCP Evaluation Matrix to self evaluate economies current status of implementation of SCCP CAP items.

In pursuit of these goals, the SCCP will cooperate and coordinate with:

- a) other APEC working groups and committees;
- b) APEC private sector groups such as ABAC and business representatives within individual member economies;
- c) the WCO and regional Customs organizations;
- d) other Asia/Pacific Customs Administrations; and
- e) relevant international organisations.

**PROCEDURAL AND ORGANIZATIONAL GUIDELINES  
OF THE APEC SUB-COMMITTEE ON CUSTOMS PROCEDURES**

**Chapter I: Functions**

1. The functions of the Sub-Committee on Customs Procedures (hereafter called "the SCCP") are those assigned to it in the Terms of Reference adopted by the Committee on Trade and Investment (hereafter called "the CTI") at its third meeting on 26-27 August 1997.

**Chapter II: Term of the SCCP**

2. The SCCP shall remain in existence as long as the CTI sees there is need for the SCCP, subject to a review of its mandate and terms of reference every three years.

**Chapter III: Representation**

3. The SCCP shall comprise representatives of all APEC economies. The representatives shall be officials with technical customs expertise. They may be assisted when required by advisors from other relevant bodies attending as members of the delegations of individual member economies.

**Chapter IV: SCCP Meeting**

4. The SCCP shall meet at least twice a year prior to the meetings of the CTI, unless otherwise decided by the SCCP or the CTI.
5. To the extent possible, the date of each meeting shall be fixed by the SCCP at its preceding session.
6. The date of the meeting may be varied either on the request of any Member and agreed to by all Members present at the meeting or, in the case of emergency, at the request of the Chair of the SCCP (hereafter called "the Chair").
7. The meeting of the SCCP shall be held in the economy of the current chair of the SCCP, unless otherwise decided by the SCCP or the CTI.

**Chapter V: Friends of the Chair**

8. At the last meeting of the SCCP in each year the Chair shall call for volunteers among Members (hereafter called the "Friends of the Chair") to assist in the SCCP's priority setting process for the following year.
9. The Friends of the Chair shall comprise the outgoing Chair, incoming chair, future chair and up to three volunteer Members.
10. The Friends of the Chair shall:
  - i. consult with delegates to APEC Customs-Business Dialogue to seek business input to the SCCP's priorities for the following year;
  - ii. following the conclusion of the annual Economic Leaders' Meeting, consult intersessionally with the chair of the CTI and chairs of other APEC fora to identify areas of common interest or possible joint initiatives and to identify priorities for the SCCP and actions that link to Leaders' Declarations; and

- iii. draft a set of priorities and actions in consultation with the chair of the CTI, circulate it for comment among Members, and circulate the agreed draft to Members at least four weeks prior to the next scheduled meeting of the SCCP.
11. At the first meeting of the SCCP in each year, the SCCP shall endorse the priorities and actions for that year and consider project proposals for endorsement by the CTI and submission to the Budget and Management Committee (hereafter called "the BMC").

#### ***Chapter VI: Meeting Organization***

12. The Chair shall liaise closely with the host economy and the APEC Secretariat on meeting arrangements.
13. Prior to each SCCP meeting the Chair shall work with the host economy to ensure that delegates are provided with full information concerning meeting registration and logistics.

#### ***Chapter VII: Agenda***

14. The Chair should draw up a Draft Agenda for each session and circulate it to the Members for their comments at least eight weeks in advance of the session.
15. This agenda shall comprise all items for which inclusion has been approved by the SCCP during its preceding session, an item to discuss the priorities and actions drafted by the Friends of the Chair (only at the first SCCP meeting of each year), and any other items which the Chair or a Member may request to include.
16. Any Member who does not agree to the inclusion of any item in the Draft Agenda should make its view known to the Chair not later than two weeks after receiving such Draft Agenda.
17. A Revised Agenda, taking into account the comments and suggestions made, should be distributed by the Chair to all Members, APEC Secretariat and the official observers at least four weeks prior to the meeting.
18. A detailed Annotated Agenda should be circulated by the Chair to all Members, APEC Secretariat and the official observers at least two weeks prior to the meeting.
19. The SCCP shall determine its Agenda at the opening of each session. During the session, the Agenda may be altered at any time by the SCCP.

#### ***Chapter VIII: Documents***

20. All basic working documents requiring substantive discussion and/or decision at a meeting should be circulated to all Members at least four weeks prior to that meeting. All other documents should be circulated to all Members before the beginning of the meeting.
21. Documents that are only for the information of the SCCP and do not require substantive discussion and/or decision will be tabled for inclusion in the meeting documents but will not be presented at the meeting.
22. All documents are to be prepared using the standard document format as approved by the SCCP and amended from time to time.
23. Any Member bringing documents to the meeting that may require redrafting should be encouraged to bring the documents on computer disc (Corel WordPerfect or Microsoft Office file) as well as hard copy of the documents, to facilitate reproduction.

**Chapter IX: Officers and Conduct of Business**

24. Unless otherwise decided by the SCCP, the Customs Administration of the current Chair of APEC shall be the Chair, and the Customs Administrations of the outgoing and incoming Chairs of APEC are the Vice-Chairs of the SCCP (hereafter called "the Vice-Chairs").
25. If the Chair is absent from any meeting or part thereof, a Vice-Chair shall preside and shall have the same powers and duties as the Chair.
26. The Chair shall participate in the proceeding as such and not as a representative of an APEC member economy.
27. When the Chair believes that a matter is being considered in which he or she has any interest, he or she shall offer to vacate the role of Chair for that discussion in favour of a Vice-Chair.
28. In addition to exercising the powers and duties conferred upon him or her elsewhere in this guideline, the Chair shall have the responsibilities to:
  - i. declare the opening and closing of each session;
  - ii. accord the right to speak;
  - iii. direct the discussion;
  - iv. call a speaker to order if the speaker's remarks are not relevant to the question at issue;
  - v. announce decision;
  - vi. draft the meeting report, in consultation with Members, for the SCCP's consideration and adoption;
  - vii. present the report of the SCCP's meeting to the CTI for consideration and adoption;
  - viii. prepare an annual report, in consultation with Members, for the APEC Ministerial Meeting;
  - ix. prepare the SCCP's contribution to the annual report to the BMC; and
  - x. consult with all Members on progress in the various Customs projects and ensure that they are kept informed of developments of those projects.
29. The SCCP shall consider and adopt its report at the close of each session.
30. The SCCP may establish an ad-hoc taskforce or expert group as it considers necessary to assist it in discharging its functions.
31. Decisions of the SCCP at any meeting shall be based on consensus. However, the fact that the consensus has not been obtained on a particular matter, shall not preclude the SCCP from reporting to the CTI on that matter.

**Chapter X: APEC Secretariat's Assistance**

32. The host economy may request the APEC Secretariat to provide advice on meeting requirements.
33. The SCCP may request the APEC Secretariat to provide advice on APEC budgetary and other requirements affecting the operations of the SCCP.

34. The SCCP may request the APEC Secretariat to maintain an up-to-date official contact list to facilitate communication among Members.
35. The SCCP may request the APEC Secretariat to provide advice on the preparation of budget submission to the BMC and the Senior Officials' Meeting.
36. The SCCP may request the APEC Secretariat to provide assistance in printing and distribution of SCCP documents, giving due regard to budgetary limitations and constraints of the Secretariat.

***Chapter XI: Non-Member Participation***

37. The non-member participation to the meetings and activities of the SCCP is governed by the APEC agreed rules and guidelines.
38. The Chair should consult Members, at least eight weeks prior to a meeting, on any proposals to invite "guests" to attend a meeting or activity to see if there is a consensus. Should there be a consensus in favour of a non-member or regional organization which meets APEC rules and guidelines, that consensus shall be reported to the Chair of the CTI with a recommendation that it be endorsed. Subject to that endorsement, an invitation may be extended by the Chair on behalf of the SCCP.

***Chapter XII: Revision***

39. These rules and guidelines may be revised at any time, in whole or in part, by the SCCP, and be recommended to the CTI for endorsement in their revised form.

## ***COMPETITION POLICY AND DEREGULATION GROUP (CPDG)***

### ***TERMS OF REFERENCE***

#### ***1. Scope of Operations of the CPGD is to serve as a forum for competition authorities and experts:***

- To exchange information on competition laws and policies as well as issues relating to regulatory reform;
- To develop and enhance understanding of the competition laws and policies of APEC economies as well as the pro-competitive aspects of regulatory reform;
- To share experiences and expertise on activities relevant to the implementation of competition laws and policy as well as issues relating to regulatory reform;
- To examine, when possible, the impact of competition laws and policy as well as issues relating to regulatory reform on trade and investment flows;
- To identify areas for capacity building and technical cooperation on the implementation of competition laws and policy as well as issues relating to regulatory reform;
- To periodically review the group's Collective Action Plans; and
- To do outreach and public relations to APEC Stakeholders on the achievements of the group as and when appropriate.

#### ***2. In collaborating with other relevant APEC fora and the business sector, the CPGD will serve as a forum:***

- To coordinate and discuss as appropriate the implementation of cooperative initiatives such as but not limited to Structural Reform with other relevant APEC fora, such as the Economic Committee, SELI Coordinating Group and relevant international organizations.
- To report progress and outcomes of each cooperative initiative to the CTI, and when necessary make recommendations thereto; and
- To invite when appropriate other relevant APEC fora, the APEC Business Advisory Council (ABAC) and/or other relevant experts to participate in/or observe the group's activities.

## ***BUSINESS MOBILITY GROUP (BMG)***

### ***TERMS OF REFERENCE***

1. To develop standards to enhance business mobility, consistent with APEC trade facilitation and border security objectives.
2. To assist member economies implement BMG standards and agreements including through the identification, design and implementation of capacity building initiatives.
3. To implement, review and improve the operation of agreed business mobility initiatives, in consultation with the CTI, ABAC and other fora as appropriate.
4. To implement and enhance the agreed Collective Actions Plan (CAP) on business mobility.

***APPENDIX 11***

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***Directory of Terms***





***DIRECTORY OF TERMS***

ABAC	APEC Business Advisory Council
ABTC	APEC Business Travel Card
ADB	Asian Development Bank
AELM	APEC Economic Leaders' Meeting
AIMP	APEC Information Management Portal
AMM	APEC Ministerial Meeting
APEC	Asia-Pacific Economic Cooperation
API	Advance Passenger Information
APLAC	Asia Pacific Laboratory Accreditation Cooperation
APLAC MRA	Asia Pacific Laboratory Accreditation Mutual Recognition Agreement
APLMF	Asia Pacific Legal Metrology Forum
APMP	Asia Pacific Metrology Program
BIT	Bilateral Investment Treaty
CAP	Collective Action Plan
CAPERs	Customs Asia Pacific Enforcement Reporting System
CDSG	Chemical Dialogue Steering Group
CIME	OECD Committee on International Investment and Multinational Enterprises
CISPR	International Special Committee on Radio Interference
COA	Course of Action
CPDG	Competition Policy and Deregulation Group
CSOM	Concluding Senior Officials' Meeting
CTI	Committee on Trade and Investment
DDA	Doha Development Agenda
DfE	Design for Environment
EC	Economic Committee
ECOTECH	Economic and Technical Cooperation
ECSG	Electronic Commerce Steering Group
EDTF	Expanded Dialogue on Trade Facilitation
EEMRA	APEC Mutual Recognition Arrangement on Electrical and Electronic Products
e-IAP	Electronic Individual Action Plan
EMC	Electronic Magnetic Compatibility
EU	European Union
FOTC	Friends of the Chair
FTAs	Free Trade Agreements
GAID	Global Automotive Industry Dialogue
GATS	General Agreement on Trade in Services

GATT	General Agreement on Tariffs and Trade
GFPN	Gender Focal Point Network
GHS	Global Harmonized System
GHTF	Global Harmonized Task Force
GIs	Geographical Indications
GOS	Group on Services
GP	Government Procurement
GPEG	Government Procurement Experts' Group
GRP	Good Regulatory Practices
HS	Harmonized System
IAP	Individual Action Plan
ICAO	International Civil Aviation Organization
ICPO	International Criminal and Police Organization
IDB	WTO Integrated Database
IEC	International Electrotechnical Commission
IECEE CB	Conformity Testing and Certification of Electrical Equipment
IEG	Investment Experts Group
IEGBM or BMG	Informal Experts Group on Business Mobility or Business Mobility Group <i>(used inter-changeably to refer to same group)</i>
IFIs	International Financial Institutions
ILO	Immigration Liaison Officers
INTA	International Trademark Association
IPEG	Intellectual Property Rights Experts Group
IPR	Intellectual Property Rights
ISO	International Organization for Standardization
IT	Information Technology
ITI	Information Technology Industry Council
ITU	International Telecommunication Union
LSIF	Life Sciences Innovation Forum
MAG	Market Access Group
MCPs	Multi-Chip Integrated Circuits
MLA	Multilateral Recognition Arrangement
MNEs	Multinational Enterprises
MOO	Menu of Options
MRA	Mutual Recognition Agreement
MRT	Meeting of Ministers Responsible for Trade
MRTD	Machine Readable Travel Document
MTST	Mid-term Stock-take
NAMA	Non-Agriculture Market Access

NBPs	Non-Binding Principles
NFMD	Non-Ferrous Metals Dialogue
NGMA	WTO Negotiating Group on Market Access
NTM	Non-Tariff Measure
OAA	Osaka Action Agenda
OECD	Organization for Economic Cooperation and Development
PAC	Pacific Accreditation Cooperation
PASC	Pacific Area Standards Congress
PECC	Pacific Economic Cooperation Council
PPD/TF	Public-Private Dialogue on Trade Facilitation
REACH	Registration, Evaluation, Authorization of Chemicals
RMAL	Regional Movement Alert List
RMAS	Regional Movement Alert System (Formerly known as RAML)
ROHS	Restrictions on Hazardous Substances
ROSC	Reports on the Observance of Standards and Codes
RTAs	Regional Trade Arrangements
SAICM	Strategic Approach to International Chemicals Management
SCCP	Sub-Committee on Customs Procedures
SCSC	Sub-Committee on Standards and Conformance
SELI	Strengthening Economic Legal Infrastructure
SMEs	Small and Medium Enterprises
SOM	Senior Officials' Meeting
SPS	Agreement on the application of Sanitary and Phytosanitary Measures
SRB	Specialist Regional Bodies
STAR	Secure Trade in the APEC Region
TBT	Agreement on Technical Barriers to Trade
TDB	APEC Tariff Database
TFAP	Trade Facilitation Action Plan
TFIAP	Trade Facilitation Individual Action Plan
TFP	Trade Facilitation Principles
TFTF	Trade Facilitation Task Force
TILF	Trade and Investment Liberalization Facilitation
TNCs	Trans-national Corporations
TOR	Terms of Reference
TPD	Trade Policy Dialogue
TRIMS	Agreement on Trade-Related Investment Measures
TRIPS	Agreement on Trade-related Aspects of Intellectual Property
TRS	Time-Release Surveys

UN/EDIFACT	United Nations Rules for Electronic Data Interchange for Administration, Commerce and Transport
UNCTAD	United Nations Conference on Trade and Development
UNITAR	United Nations Institute for Training and Research
VAP	Voluntary Action Plan
WCBG	WTO Capacity Building Group
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization