



Asia-Pacific  
Economic Cooperation

2008

# Committee on Trade and Investment

Annual Report To Ministers

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**Asia-Pacific  
Economic Cooperation**

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**Asia-Pacific  
Economic Cooperation**

**2008  
ANNUAL REPORT TO MINISTERS**

**COMMITTEE ON TRADE AND INVESTMENT**

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Dear Ministers,

I am pleased to present to you the APEC Committee on Trade and Investment's (CTI) **2008 Annual Report** for your review and endorsement. The report contains an overview of CTI's work this year along with a series of recommendations to advance the Committee's continued work program.

In accordance with the direction provided by Leaders and Ministers in Sydney in September 2007, CTI work for 2008 has largely continued with our pursuit of the **Bogor Goals** of free and open trade and investment in the Asia-Pacific region, as well as the new overarching **Regional Economic Integration (REI)** agenda, as CTI has been allocated 24 out of the 53 agreed REI actions that were adopted in Sydney in 2007.

To carry out our work in 2008, the CTI identified the following key priority areas: Support for the Multilateral Trading System; high-quality Regional Trade Agreements/Free Trade Agreements (RTAs/FTAs); Trade Facilitation; Investment; and Digital Economy and Strengthening Intellectual Property Rights. We also began a review of how best to provide Capacity Building for these areas that would better enable developing economies to meet their APEC commitments. In addition, noting that structural reform cuts across issues that CTI also has overview on, CTI acknowledged the importance of working with colleagues in the Economic Committee (EC) to implement structural economic reform as a core element of APEC's agenda and mapped out key areas for joint collaboration with the EC in 2009.

Peru 2008 in fact has proved to be a very productive year for the CTI and the 9 subgroups and 3 industry dialogues that it oversees. Excellent progress has been made in many priority areas. For instance, we have managed to complete a set of model measures as mandated by Ministers in 2005, an Investment Facilitation Action Plan (IFAP), establish KPIs for the trade facilitation action plan II (TFAP II), come up with new innovative ideas on how to do more for economic integration, and worked more closely with the EC and with the APEC Business Advisory Council (ABAC) to ensure that the outcomes of our work are relevant to business. In addition, recognizing that the REI mandate cannot be completed in a single year, CTI has started to put in place a multi-year work program for various aspects of this mandate as set out in this report.

Some significant CTI deliverables for 2008 are highlighted below.

#### Support for the Multilateral Trading System

Activities in support of a successful conclusion to the WTO Doha Development Agenda (DDA) remained the CTI's highest priority. Acknowledging that there were limitations in terms of our direct contributions to the negotiations itself, we focussed our energies on better understanding the benefits that would accrue from greater liberalization pursuant to the conclusion of the DDA in the hope that this would add to the liberalization momentum in Geneva. In addition, we kick-started the year with a strong statement on the need to maintain the integrity and original spirit of the ITA, and expressed concern about products covered by the ITA that may no longer be receiving duty free treatment. Our momentum

continued strongly over the year in terms of workshops covering various aspects of services liberalization and in response to Minister's instructions in Arequipa earlier this year, we have continued with our work on environmental goods and services with a view to present Ministers with the outcomes in the form of a work plan by MRT 09. Throughout the year we continued with our capacity building activities that would allow more effective implementation of existing WTO obligations.

### Promoting High-Quality RTAs/FTAs

Noting that the mandate to complete model measures on as many RTA/FTA chapters as possible would end this year, CTI redoubled our efforts in this respect in 2008. Substantial progress has been made in this area with a total of **five** chapters concluded this year including a chapter on Customs Administration and Trade Facilitation that was developed by ABAC which CTI had agreed to include as part of the package of RTAs/FTAs. The other four chapters include the three model measures relating to Competition Policy, Environment, Temporary Entry of Business People which were endorsed by Ministers Responsible for Trade at their meeting in Arequipa and the Safeguards model measures that we have just agreed on. **This results in a total of 15 Model Measures completed.** This is more than the 14 that were anticipated when we first began this work in 2006. This set of model measures will serve as a reference for member economies seeking to negotiate RTAs/FTAs, and assist in promoting consistency in RTAs/FTAs across the region.

As part of APEC's efforts to examine the options and prospects for a possible Free Trade Area of the Asia Pacific (FTAAP), CTI also began work in 2008 to study the divergences and convergences of 14 chapters of 30 FTAs in the region. This study was commenced in response to business concerns that the spaghetti bowl of RTA/FTA provisions limited the ability of business to benefit from these agreements. It was with interest that we noted that the outcomes of the study to-date indicate a high level of convergence and similarities in some FTA provisions, but there is a level of divergence in some key chapters which needs further study. CTI has agreed that this is an area that will be taken forward in 2009 by undertaking initiatives designed to promote greater convergence among economies in key areas of APEC's trade and investment portfolio, including areas such as customs administration, trade facilitation, and cross-border services.

Also as part of the FTAAP work agenda, CTI has commenced work on docking, merging, and enlargement to enable members to have a more systematic understanding of the landscape of similarities and differences in the FTAs, as well as a better understanding of the framework, available for examining practical aspects for negotiating a large scale FTA using existing agreements as the basis. The CTI will be continuing with this examination as we move into 2009.

As we approached the end of our work year in 2008, CTI realized that with the type of work we would be undertaking in 2009 and beyond, it would be better if we replaced the existing Friends of the Chair (FOTC) group on RTAs/FTAs with an FOTC that dealt with the new REI mandate as that would allow us to widen the scope of our work to better meet Ministers instructions.

## Trade Facilitation

Working together with the pertinent sub-fora, CTI has completed the selection of the Key Performance Indicators (KPIs) and reporting methodologies for the implementation of the TFAPII. However, cognizant that the mandate calls for a further 5% reduction in transaction cost by 2010, CTI has tasked the Policy Support Unit (PSU) to work with the CTI into 2009 to develop a rigorous methodology by which we can measure the effect of the implementation of these selected KPIs to ensure that this mandate is met.

Recognizing that facilitating the movement of goods and services within the APEC region would be a key element to strengthen regional economic integration, CTI has agreed to take the work on trade facilitation further by examining the spectrum of issues related to trade logistics. Consequently CTI agreed to focus on this issue for the upcoming Trade Policy Dialogue which is to be held in conjunction with CTI 1 in 2009.

## Investment

Much work has been done in the area of investment in 2008, the key highlight of which has been the development of the Investment Facilitation Action Plan (IFAP) that was endorsed by Ministers Responsible for Trade (MRT) in Arequipa in May 2008. The CTI will continue to work to develop an implementation plan for the IFAP, including agreed KPIs and reporting methodologies, to be endorsed by MRT in 2009.

Noting that investment is a cross-cutting issue, CTI has agreed to work more closely with the EC on investment-related issues in 2009.

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

Noting the importance of APEC's work in relation to the Digital Economy, 2008 saw the development and adoption of an APEC Digital Prosperity Checklist which aims to facilitate ICT use and development as a catalyst for growth and development based on six pillars, including information, infrastructure, innovation, intellectual capital, investment and integration.

Work has also continued in the area of intellectual property rights (IPR) issues with emphasis on taking forward those related to Minister's mandates. In this respect notable progress has been made by economies implementing the APEC Anti-Counterfeiting and Piracy Initiative with nearly half of APEC economies completing implementation templates to three guidelines as of July 30. Work on advancing the Cooperation Initiative on Patent Acquisition Procedures continues in terms of a possible roadmap (APEC Patent Cooperation Roadmap). Membership of the Data Privacy Pathfinder also expanded in 2008 with China, Philippines and Singapore joining the initiative, bringing the number of participating economies to 16.

## Capacity Building

CTI continued with our strategic approach to capacity building overseen via the informal Capacity Building Steering Group (CBSG). Noting the work that the SOM

Steering Committee on Economic and Technical Cooperation (SCE) has commenced on reviewing how capacity building is provided, the CTI CBSG has identified the role it can play as part of this review. In addition, this is also an area which CTI and the EC have agreed to work together on as we move into 2009.

### Interaction with Business

CTI continues to recognize the importance of engaging more closely with the business community, as our work in order for it to be relevant must meet the needs of business. CTI has thus continued to work more closely with the APEC Business Advisory Council (ABAC). As a result, 2008 saw greater participation between the two groups than ever before, with ABAC appointing Liaison Representatives to attend CTI and designated CTI sub-fora meetings, which resulted in improving ABAC's ability to provide timely inputs to the work that is taking place at CTI and its sub-fora.

I also participated in ABAC meetings in 2008 and gained useful insights from them, which helped to shape CTI's work this year. I hope that my participation in their meetings has also helped ABAC better understand the workings of the APEC processes, especially CTI, which will result in better interaction and results over time.

As you will note from this report the CTI "family" has been busy this year. All of this productive work, though, would not have been possible without the commitment, engagement and cooperation of all CTI representatives, especially my FOTC leads who have proved to be able independent workers. I would like to take this opportunity to thank them for being patient with me as their new Chair and working so well as a team. I would also like to thank all the sub-fora Convenors and industry dialogue Chairs for their dedication to their work and their innovation not just in terms of ideas but in getting consensus on tricky issues which has resulted in a plethora of activities taking place in 2008 as the rest of this report will show. Last but not least thanks to all the support provided to me by my two very able Vice Chairs, Julio Chan and Leonia Tai.

To conclude, I would like to take this opportunity to express my appreciation for the hard work my dedicated support team Takashi Hattori and especially Catherine Wong has provided to me throughout this year.

Yours sincerely,



Mary Elizabeth Chelliah  
Chair, APEC Committee on Trade and Investment



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## Recommendations

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CTI recommends that Ministers **endorse**:

- CTI's 2008 Annual Report, including the Collective Action Plans in Appendix 8.
- RTA/FTA Model Measures for competition policy; environment; temporary entry for business persons; safeguards; and customs administration and trade facilitation. (see Appendix 2)
- the Digital Prosperity Checklist that outlines specific steps economies can take to utilize ICTs as catalysts for growth and development (Appendix 5)
- the Launch of the APEC Food Safety Cooperation Forum (FSCF) Partnership Training Institute Network (PTIN) as a multi-year initiative to strengthen food safety in the region (Appendix 4)
- Life Sciences Innovation Forum's (LSIF) Report and Recommendations for submission to Leaders.
- LSIF Enablers of Investment Checklist as a voluntary guidance tool for economies (Appendix 7).
- Establishment of an APEC LSIF Harmonization Center as a key step towards the harmonization of regional regulatory priorities.

and **welcome**:

- APEC Investment Facilitation Action Plan (Appendix 6) endorsed at the June 2008 Meeting of Ministers Responsible for Trade (MRT).
- Development of key performance indicators (Appendix 3) and reporting methodologies for implementing the second Trade Facilitation Action Plan.
- Framework for elaborating a work program to advance APEC work on environmental goods and services (EGS) sector (Appendix 1) and **instruct** officials to complete the work program on environmental goods and services for delivery by MRT in 2009.
- Decisions by China, the Philippines, and Singapore to join the 2007 Data Privacy Pathfinder, bringing the number of participating economies to 16.
- Canada joining the APEC Business Travel Card (ABTC) as a transitional member and Mexico becoming fully operational with its commencement of card issuing.
- Outcomes of the Tenth Automotive Dialogue, Seventh Chemical Dialogue and Sixth Meeting of the Life Sciences Innovation Forum (LSIF).
- Chemical Dialogue's set of best practice guidelines and approaches to GHS implementation as an APEC contribution to SAICM.
- LSIF Study on Investment in Health Innovation, as called for by Ministers in 2007, and **support** the establishment of a small group of economies to meet and respond to the study.

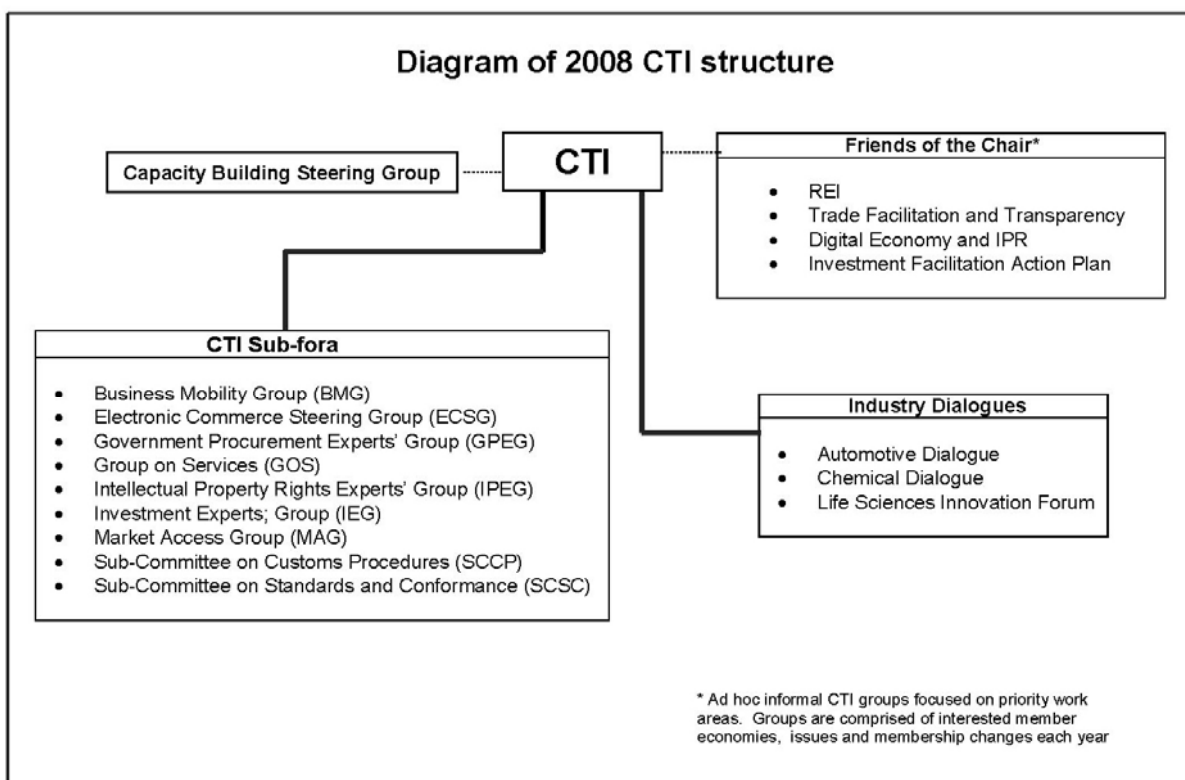


## Introduction

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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, 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 nine sub-groups and three industry dialogues (see diagram below). CTI also works closely with other specialist 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 2008 outlines the Committee's accomplishments and recommendations in the key priority areas of APEC's Trade and Investment Liberalization (TILF) agenda. Collective Action Plans (CAPs) in various *Osaka Action Agenda* (OAA) issues areas, which were first reported in 1996, continued to be the Committee's main vehicle for advancing APEC's trade and investment agenda.

The key elements of CTI's work program for 2008 were framed in the context of the Leaders' mandate to accelerate efforts towards the promotion of regional economic integration (REI). The CTI also undertook work related to other APEC-wide priority

areas including: implementation of the agenda to strengthen regional economic integration; implementation of the Leaders' security commitments and capacity building and information sharing. Four small groups of "friends of the Chair (FOTC)", comprising between 5–17 economies, were established in the CTI to develop work plans with time frames, objectives and deliverables in four initial key areas: RTAs/FTAs; Trade Facilitation and Transparency; Digital Economy and Strengthening Intellectual Property Rights (IPR); and Investment. By the middle of the year however, with the growing realization of the increased potential for work under the REI agenda, the CTI replaced the FOTC on RTAs/FTAs with an FOTC on REI, the purpose of which is to assist, liaise with the relevant sub-fora to help focus/prioritize work on the many REI actions which relate to the mandate of the CTI and its sub-fora. A preliminary draft work plan to advance these CTI-related REI actions in 2009 was agreed at CTI 3 2008.

The Committee has continued to collaborate closely with the Economic Committee (EC) to ensure that our respective work programs on business facilitation, competition policy and economic legal infrastructure were complimentary. This collaboration has taken a step further as we move into 2009 with the EC working jointly with the CTI on 3 specific initiatives, i.e. Trade Logistics starting with the upcoming CTI1 Trade Policy Dialogue; Investment Facilitation initiatives in recognition of the close linkage between investment and behind the border regulatory reform measures; and lastly capacity building.

CTI also worked closely with the APEC Business Advisory Council (ABAC) throughout 2008, ensuring that its work plans and deliverables took into account the needs of the business community. Both CTI and ABAC participated in each others' meetings, maintaining consistent and constructive dialogue on key issues, such as public-private partnerships, investment liberalization, and trade facilitation.

With the establishment of the Policy Support Unit (PSU) in the middle of this year, CTI has identified key issues of interest to CTI for the PSU to commence work on.

## Section I: Support for the Multilateral Trading System

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### Highlights:

- CTI members recognized that support for the multilateral trading system and a successful conclusion to the Doha Development Round negotiations remained APEC's highest priority.
- Several workshops and seminars were organized to build capacity and raise the awareness amongst member economies in areas of IT products; IPR, environmental goods and services; educational services; and energy services.
- Noting the importance of the ICT sector for the Asia-Pacific region, CTI agreed on the importance of maintaining the integrity of the Information Technology Agreement and provided SOMs with a text reflecting this support for the SOM1 press release.
- CTI agreed on an environmental goods and services (EGS) work program framework (see Appendix 1).
- An APEC Training course on Anti-dumping was held in Ha Noi, Viet Nam on 3-4 July. The training course was targeted at equipping participants with knowledge on anti-dumping as well as dispute settlement procedures including anti-dumping rules and obligations in WTO Anti-Dumping Agreement.
- APEC Seminar on the Impact of Liberalization of Trade in Services was held in Jakarta, Indonesia on 28-29 October. The seminar was aimed at deepening member economies' understanding of the impact of liberalization of trade in services based on specific issues in recent studies and acquiring necessary knowledge in relation to ways and avenues in measuring the impact and how to optimize the benefits and minimize the adverse effects of liberalization.

### Work Plan:

In 2008, CTI agreed to conduct activities in support of the multilateral trading system in a flexible way.

**Table 1: Sub-fora Outcomes - Support for the Multilateral Trading System**

SUB-FORA	WORK UNDERTAKEN
<p><b>Market Access Group (MAG)</b></p>	<p>MAG continued to support NAMA negotiations, <i>inter alia</i>, by sharing information on specific liberalization initiatives. MAG affirmed the importance of the principle of adhering to commitments made by ITA participants to provide duty-free treatment for products covered by ITA.</p> <p>MAG organized a workshop on IT/Electronics industry on 20 February 2008 to enhance the understanding among government officials of the current situation and possible evolution of the IT/Electronics industry in APEC region as well as the benefits and necessity of trade and investment liberalization.</p>

SUB-FORA	WORK UNDERTAKEN
	<p>MAG organized a one-day workshop on environmental goods and services (climate change) on 20 May 2008 in Arequipa to help members to further enhance understanding within APEC economies of the nature and benefits of environmental goods and services, with a particular focus on the emerging area of climate change-related goods and services.</p> <p>MAG commenced work to elaborate a work program to advance APEC work on environmental goods and services (EGS). MAG agreed on the substance of a proposal for initiating an EGS work program framework.</p>
<p><b>Group on Services (GOS)</b></p>	<p>GOS undertook work which focused on improving the understanding of regulatory issues impacting various services sectors. Sectors being discussed in 2008 included: educational services, energy services, environmental services, legal services, and health services. The group conducted several seminars in this regard: APEC Seminars/Workshops on Energy Services (Manila, Philippines, July), and Educational Services (Manila, Philippines, September). The group also undertook a project to conduct a survey on trade liberalization in environmental services across APEC economies and GATS modes of supply.</p> <p>Recognizing that facts on services trade are important for facilitating negotiations, GOS conducted an APEC Capacity Building Seminar on the Measurement of International Trade in Services in Manila on 1-3 October.</p>
<p><b>Sub-committee on Standards and Conformance (SCSC)</b></p>	<p>Seminar on Understanding and Implementing APEC Mutual Recognition Arrangement (MRA) for conformity assessment of Electrical and Electronic equipments (EEMRA) and the 12th Joint Advisory Committee (JAC) meeting were held in Brunei Darussalam from 12 to 13 May and on 14 May, respectively.</p>
<p><b>Intellectual Property Rights Experts Group (IPEG)</b></p>	<p>IPEG members exchanged information on their respective progress in developing IP systems consistent with the WTO TRIPs Agreement and other international norms. In particular, they shared information on geographical indication protection systems and plant variety protection.</p>
<p><b>Government Procurement Experts Group (GPEG)</b></p>	<p>GPEG and WTO GPA have agreed to enhance exchange of information and cooperation.</p>
<p><b>Business Mobility Group (BMG)</b></p>	<p>BMG's support for the WTO process and Bogor Goals is demonstrated through various trade facilitation capacity building initiatives aimed at improving temporary business entry arrangements and reducing costs to business. BMG continued to work towards expanding the membership of its APEC Business Travel Card (ABTC) scheme to include all member economies. At its meeting in August, the BMG agreed to the participation of Canada as a transitional member of the scheme, making a total of 20 member economies participating in the ABTC scheme. Since October of this year, Mexico became a full member of the ABTC Scheme.</p> <p>Also the BMG agreed to adopt the priority processing in order to ensure a</p>

SUB-FORA	WORK UNDERTAKEN
	<p>faster issuance of the ABTC.</p> <p>The BMG continued to cooperate to share information and best practice on immigration legislation including temporary entry provisions in economy trade agreements, as well as immigration policy, procedures and technologies.</p>
<p><b>Automotive Dialogue (AD)</b></p>	<p>The Automotive Dialogue continued to monitor and review efforts to reinvigorate WTO DDA negotiations, including encouraging its members to participate in the activities of the Global Automotive Industry Dialogue to support relevant aspects of NAMA negotiations in Geneva.</p>
<p><b>Chemical Dialogue (CD)</b></p>	<p>The Chemical Dialogue continued discussion of tariff and non-tariff-barriers to chemical trade. It work on regulatory best practices includes principles that seek to give effect to the WTO Technical Barriers to Trade's (TBT) provisions and practical guidance for effective and efficient technical regulations and national treatment provisions of the GATT. The Dialogue's coordination on the implementation of the Globally Harmonized System is seen an effort by the CD to avoid creating technical barriers to trade.</p> <p>CD exchanges on REACH implementation are designed to ensure that members are alert to and inform one another of potential trade distorting effects of REACH implementation, share experiences on business export and compliance tools and that REACH implementation is pursued in a manner that draws more widely from others' regulatory approaches in the interest of consistency and reducing duplicative or unnecessary procedures.</p> <p>CD continued to voice its support of the chemicals package in the DDA.</p>
<p><b>Life Sciences Innovation Forum (LSIF)</b></p>	<p>Through its participation in the International Conference on Harmonization and the GHTF and related work on the harmonization of regulatory procedures to international best practices, LSIF is giving effect to the TBT's provision for using relevant international standards as a basis for technical regulation. LSIF is also engaged in significant capacity building activities on the harmonization of regulatory procedures to international best practices.</p>



## **Section II: Promotion of High Quality Regional Trade Agreements/Free Trade Agreements**

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### **Highlights:**

- CTI agreed on model measures for RTAs/FTAs in the following areas: Competition Policy, Environment and Temporary Entry of Business People at CTI2. These model measures were endorsed by MRT at their meeting in Arequipa on 31 May – 1 June.
- CTI welcomed the model measure on customs administration and trade facilitation developed by ABAC and agreed to include it as part of the package of RTA/FTA model measures for 2008.
- CTI agreed on the Safeguards model measures. This finalizes the mandate from Leaders and Ministers in the Busan Roadmap to develop by 2008 comprehensive model measures on as many commonly accepted RTA/FTA chapters as possible. (see Appendix 2 for the catalogue of 15 completed chapters).
- CTI welcomed the completion of the Study on Identifying Convergences and Divergences in APEC RTAs/FTAs and the development of a pilot database that would enable the comparison of the provisions in these 14 chapters.
- CTI commenced work on examining the feasibility of docking or merging existing FTAs with a trade policy dialogue which helped its members to have a better understanding of the technical and policy issues of docking or merging of FTAs.
- A number of CTI sub-fora continued to undertake work on RTAs/FTAs as reflected in the table below.

### **Work Plan:**

In 2008, CTI adopted a work plan to take forward the relevant aspects of APEC's work on REI. The work plan included the following elements:

- Complete the program of comprehensive and high-quality model measures of commonly accepted chapters for RTAs/FTAs.
- Identify ways to facilitate the use of model measures as a guide to negotiating RTAs/FTAs.
- Examine the feasibility of docking or merging FTAs.
- Conduct a study of core investment-related elements of existing FTAs, with a view to developing investment principles.
- Conduct an analytical study of existing bilateral FTAs in the region with the aims of increasing knowledge of their similarities and differences.
- Explore the possibility of building on the model measure for trade facilitation to provide more specificity and content.
- Examine the various types of preferential rules of origin used in the APEC region with the aim of increasing knowledge of their similarities and differences.

- Explore in close cooperation with the business sector how rules of origin used in economies' RTAs/FTAs might be rationalized.
- Providing capacity building on RTAs/FTAs.
- Economies to report on steps taken to fulfil existing WTO RTA/FTA notification obligations.

**Table 2: Sub-fora Outcomes - RTAs and FTAs.**

SUB-FORA	WORK UNDERTAKEN
<b>Market Access Group (MAG)</b>	<p>MAG continued its efforts towards a possible harmonization of rules of origin (ROOs) in RTAs/FTAs. It continued cooperation with ABAC, and with the Automotive and Chemical Dialogues in ROOs towards possible harmonization.</p> <p>MAG worked with ABAC to further understand the outcomes of the Marshall study on ROOs.</p> <p>MAG agreed to conduct analytical work on preferential ROO with regard to specific sector(s) as instructed by REI.</p>
<b>Group on Services (GOS)</b>	<p>GOS provided technical inputs into CTI's work on the proposed RTA/FTA model measure for temporary entry of business people.</p>
<b>Investment Experts Group (IEG)</b>	<p>Capacity Building Workshops on International Investment Agreements held in Singapore and Washington DC on 5-9 May and November 2008 respectively. The former focused on the scope, content, and negotiation of the new investment agreements for officials in APEC member economies responsible for the negotiation and implementation of investment agreements to promote familiarity with those subjects. The latter aimed to promote familiarity among APEC member economies focusing on investor-state arbitration under the new international investment agreements.</p> <p>Commenced work on Stage 2 of the study of the Core Elements of International Investment Agreements to underpin Leaders' call to develop principles for investment agreements.</p>
<b>Intellectual Property Rights Experts Group (IPEG)</b>	<p>IPEG members continued to provide inputs to the RTA/FTA matrix that was developed in 2007 to show members' experiences on negotiating and implementing IP chapters in RTAs/FTAs and support the goal of economic integration.</p>
<b>Government Procurement Experts Group (GPEG)</b>	<p>GPEG member economies continued to share their plans and update one another on the progress of their RTA/FTA negotiations. Members were also encouraged to promote RTAs/FTAs.</p>
<b>Automotive Dialogue (AD)</b>	<p>The Automotive Dialogue continued to advance work on automotive ROOs. The Dialogue proposed to disseminate the recommendations it adopted in</p>

SUB-FORA	WORK UNDERTAKEN
	2006 on automotive ROOs in the context of proliferating bilateral and regional FTAs.
<b>Chemical Dialogue (CD)</b>	The Chemical Dialogue endorsed a concept paper on the simplification and harmonization of ROO for the chemicals sector.

## Section III: Trade Facilitation and Transparency

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### Highlights:

- CTI agreed on key performance indicators (KPIs) and reporting methodologies to implement the second Trade Facilitation Action Plan (TFAPII) (see Appendix 3)
- CTI agreed to the selection of actions and measures from TFAP II to be implemented collectively, individually or through a pathfinder approach.
- CTI agreed to take up transparency work in conjunction with the trade facilitation work and continue to consult intersessionally on the possible next steps to take forward the recommendations contained in the World Bank's report on Transparency & Trade Facilitation in the Asia-Pacific: Estimating the Gains from Reform that was released in September 2007.
- A Seminar on Trade Logistics was held on 23–24 June in Beijing, China. The Seminar has provided valuable information on the latest development as well as the current status and policies on trade logistics in APEC region.
- Noting the importance of trade logistics in the REI agenda CTI has agreed to expand the work on trade facilitation into this new wider perspective of trade logistics. CTI agreed to focus on this area for the upcoming CTI1 TPD in 2009. Noting that this is an area which could overlap into the EC's work on regulatory reform, CTI has agreed to work with the EC on this issue for the TPD. CTI has also tasked the PSU to prepare a background paper for this Trade Policy Dialogue that will on the synergies of the trade and economic interests pertaining to trade logistics reform.

### Work Plan:

In 2008, CTI adopted a work plan on trade facilitation and transparency and agreed on the following objectives:

- Implement TFAP II with a view to achieving a further reduction of trade transaction costs by 5 per cent in the period 2007-2010.
- Foster a closer relationship with ABAC and the wider business community.
- Consider how the findings from the World Bank study on "Transparency and Trade Facilitation in the Asia-Pacific: Estimating the Gains from Reform" can be used in CTI's trade facilitation work.

**Table 3: Sub-fora Outcomes - Trade Facilitation**

SUB-FORA	WORK UNDERTAKEN
<b>Market Access Group (MAG)</b>	MAG continued discussion and exchange of experiences on the issue of remanufactured products. It agreed to organize a workshop on remanufactured products in 2009

SUB-FORA	WORK UNDERTAKEN
	MAG discussed a proposal on advancing work on non-tariff measures (NTMs) in 2009.
<b>Investment Experts Group (IEG)</b>	IEG agreed further ongoing work on transparency issues is priority issue for IFAP implementation including consideration of specific performance indicators.
<b>Sub-Committee on Standards and Conformance (SCSC)</b>	<p>SCSC established a tri-partite (industry, government and academia) <i>APEC Food Safety Cooperation Forum Partnership Training Institute Network (FSCF PTIN)</i> under the authority of the APEC Food Safety Cooperation Forum (FSCF). (A copy of the FSCF PTIN terms of reference is attached at Appendix 4). The PTIN will serve as a cooperative mechanism that would sustain and enhance FSCF's capacity building activities in the medium and long term, leverage the expert resources in the region, and assure consistency and ready availability of training program and trainers by creating a network of institutes and trainers working on food safety issues across the APEC region.</p> <p>SCSC identified KPIs and reporting methodologies for implementing the TFAPII.</p> <p>A Workshop on Strengthening Chemical Metrological Infrastructure was held on 6-7 August 2008 in Cusco. Two groups of national Metrology Institutes (NMIs) among APEC member economies are identified: one with the capability to develop and supply Certified Reference materials (CRMs), and the other without this capability, as a dissemination mechanism.</p> <p>SCSC approved the extension of the Implementation Plan for Strengthening Food Safety Standards Practices in APEC Economies to the year 2011. SCSC will provide updated information to the Secretariat of contact person(s) for Codex Alimentarius Commission, World Organization for Animal Health, and the International Plant Protection Convention, in order to enable and facilitate coordination among APEC members at these international organizations.</p> <p>A Seminar on National Food Safety System and Risk Analysis was held in Cusco 6-8 August 2008. The Seminar provided an opportunity for APEC member economies to gain better knowledge on WTO SPS principles and other international standards in the field of food safety and food risk analysis. It provided an opportunity for APEC member economies to exchange information on food safety control systems, promote the transparency and understanding of each others' food safety regulatory system therefore facilitating international trade and protecting consumer health among member economies. It also provided an opportunity for APEC member economies to interact with the private sector, and explore the potential for future.</p> <p>The SCSC encourages greater alignment of APEC Member Economies' standards with international standards through Voluntary Action Plans (VAP). It is identifying new VAP priority areas. Thus, member economies selected target standards of the identified new VAP priority areas (environmental technology, product safety, electrical equipment, and assistive products) by 30 September 2008.</p>

SUB-FORA	WORK UNDERTAKEN
	<p>A survey has been developed on participation of business in related national Committees corresponding to international Technical Committees and Sub-Committees.</p> <p>On standards and conformance education, the SCSC endorsed the organization of an 'Asia-Pacific Network for Standardization' as a part of APEC SCSC Education Initiative to provide a venue for networking among researchers, professionals, and educators. Also, a website will be prepared to facilitate education activities and networking in the APEC region.</p>
<p><b>Sub-committee on Customs Procedures (SCCP)</b></p>	<p>SCCP developed six KPIs to implement customs-related measures in TFAPII.</p> <p>A new single Window Working Group (SWWG) Phase 2 was established to advance and deliver the recommendations of the Single Window Strategic Plan that was adopted in 2007. The Single Window Working Group is committed to a broad communication strategy that takes in a diverse range of decoders. One of the key ways the SWWG was seeking to communicate within APEC is through the establishment of the Single Window Group source in the APEC Collaboration System, which will be used to disseminate key working documents.</p> <p>A Workshop on Experience Exchange in the Adoption of Instruments and Standards in Single Window Initiatives was held on 20-22 May in Arequipa. The workshop collated, analyzed and prepared a report relating to experiences of the economies on the adoption of international instruments and standards, and elaborated a questionnaire, which was sent to the Economies. So far 16 economies had completed and returned the questionnaire.</p> <p>A self-funded Workshop on Customs Data Harmonization was held from 27 October to 1 November in Chinese Taipei. The Workshop was the first one of the Single Window Working Group (SWWG) Capacity Building Workshop Series. The workshop focused on how to assist APEC member economies to implement the Single Window Strategic Plan by means of using internationally standardized data set for import, export and transit transactions. In addition, participants are supposed to gain knowledge in how to harmonize data to comply with international standards as this would assist in their implementation of the Single Window Strategic Plan.</p> <p>A joint session between SCCP and ECSG was held in Lima on 12 August in which actions relating to concerns on duplicity of work by SWWG and ECSG were addressed. ECSG will present results of its project in a workshop in December and the ECSG Chair will request that the focus of their activities to be concentrated in the Business-to-Business domain. SWWG would focus on Government-to-Government and Business-to-Government. SCCP endorsed the proposal for a joint discussion in the margins of SOM1 in 2009 and agreed to coordinate this event with ECSG.</p> <p>The annual APEC Customs-Business Dialogue (ACBD) was held in Callao on 12 August. The theme for the Dialogue was "Towards an Effective Trade Facilitation and Protection of Intellectual Property Rights". It was split into two sessions, the first called "Promoting Mechanisms of Intellectual Property Rights Border Protection" and the second one called</p>

SUB-FORA	WORK UNDERTAKEN
	<p>"Security in the Supply Chain and Trade Facilitation".</p> <p>Members continued to share information on their implementation of the time-release survey (TRS) CAP item.</p> <p>SCCP reviewed the implementation of its Integrity CAP item which was aimed at delivering a program of technical assistance, practical advice and support for economies in order to develop and implement Integrity Action Plans tailored to the unique requirements. A survey on member economies' experiences in implementing and monitoring Integrity Action Plans indicated that a continued, comprehensive program of technical assistance was no longer required and as such the SCCP2 approved moving the Integrity CAP item to stage 3, i.e. a completed CAP item.</p>
<p><b>Intellectual Property Rights Experts' Group (IPEG)</b></p>	<p>IPEG and SCCP held a joint session on cooperation on border enforcement for IPR protection on 21 February 2008 in conjunction with the IPEG Plenary meeting. The IPEG found that the joint session promoted understanding and interaction between the two groups and helped to map out future work towards balancing trade facilitation and IP protection. Member economies were also encouraged to enhance communication with their own enforcement agencies within their home economy.</p> <p>IPEG noted progress toward the completion of the three implementation templates to the three IPR Guidelines that were adopted under 2005 Anti-Counterfeiting and Piracy Initiative -- (1) Model Guidelines to Reduce Trade in Counterfeit and Pirated Goods, (2) Model Guidelines to Protect against Unauthorized Copies, and (3) Model Guidelines to Prevent the Sale of Counterfeit and Pirated Goods over the Internet. As of 30 July, a total of 10 economies have completed the templates to (1) &amp; (3). 11 economies have completed template to (2).</p> <p>APEC-IPEG Workshop on Securing the Supply Chain to be held in Hong Kong China at the end of the year. The workshop aims at addressing matters on securing the supply chain against counterfeit goods, including implementation of the supply chain model guideline.</p> <p>Member economies were encouraged to update and continue to make contributions to the <i>Best Practice Paper on Innovative Techniques for IPR Border Enforcement</i>. IPEG also noted that a capacity building program on innovative techniques for enforcement at the border would probably be organized in 2009.</p>
<p><b>Government Procurement Experts Group (GPEG)</b></p>	<p>GPEG members supported a proposal to undertake a stocktake of member economies' government procurement systems and policies in an effort to facilitate the entry by private businesses/enterprises into the government procurement markets of APEC economies.</p> <p>GPEG members agreed that a framework for eProcurement Guidelines need to be developed for reference of member economies in order to assist them in developing and enhancing their own eProcurement System.</p> <p>GPEG conducted a capacity building seminar on the Implementation of the Value for Money Non-Binding Principle (NBP) in Government Procurement on 13–14 August in Lima. One of the key conclusions of the</p>

SUB-FORA	WORK UNDERTAKEN
	<p>seminar was the importance of fostering open, just and transparent procurement policies and practices. This necessarily included the permanent application of the Value for Money NBP.</p>
<p><b>Business Mobility Group (BMG)</b></p>	<p>BMG agreed on a set of KPIs and a methodology in 2008 for reporting on the implementation of the TFAP II “business mobility” actions/measures. The Report showed progress has been made in most of the agreed eight action areas including the APEC Business Travel Card (ABTC), with a 169% increase in the number of active cardholders since end 2006 and a 79% increase in the year 31 July 2007–31 July 2008. Progress was also evident against other actions including the implementation of immigration standards (at least 10 economies have implemented all standards); 15 economies have already implemented or are committed to implement an Advance Passenger Information (API) system (with one becoming operational in May 2008); and 20 economies now maintain comprehensive, up to date information in the APEC Business Travel Handbook and other official economy and related websites.</p> <p>In 2007, BMG created a 3-year transitional membership category with extended border facilitation in the ABTC Scheme to encourage participation by Canada, Mexico, Russia and the United States. The United States was admitted as the first "transitional member" of the scheme with the aim of becoming a full participant within three years. Mexico also joined the scheme and in October has announced its participation as a full member of the scheme. Canada was admitted as a transitional member to the ABTC scheme at BMG3 this year.</p> <p>BMG is committed to examine new options to enhance the ABTC Scheme's operation and in particular, explore options to enhance the security and capability of the Card itself. In February, BMG formed two working groups to examine the options for managing the rapid growth of the ABTC scheme and to look at ways to enhance the ABTC, including ABAC's suggestion to look at the viability of enhancing the card with biometrics. At its August meeting, BMG agreed to two proposals: to undertake priority processing of applications to provide faster card issue; and the second is to explore the viability of a biometric ABTC card.</p> <p>In addition to the TFAP II Actions, members continued to share information and best practice on immigration legislation, free trade and other trade agreements, relevant policies and procedures and technologies.</p>
<p><b>Electronic Commerce Steering Group (ECSG)</b></p>	<p>ECSG developed projects on the use of paperless trading in commercial processes which would likely to have an impact on the business operations of companies and assist them in adopting business management practices and supporting technologies to comply with regulations and customers demand. Areas covered by these projects include electronic certificate of origin, electronic invoicing, data harmonization and single window, e-government procurement systems and e-trade financing. These projects involve B2B and B2G transactions and promote the use of electronic documents and internet technologies in the process of international trade, responding to an important aspect of APEC's TFAP II of speeding the use of electronic commerce.</p> <p>ECSG developed KPIs for the collective action on implementing the Data Privacy Pathfinder. It also adopted a APEC Data Privacy Pathfinder</p>



SUB-FORA	WORK UNDERTAKEN
	<p>Projects Implementation Work Plan. The objective of the work plan is to provide a framework for the implementation of the Data Privacy Pathfinder by identifying, developing, testing and evaluating projects. If the projects are assessed as successful, they will lead to the establishment of a system for the use of cross-border privacy rules (CBPRs). The Data Privacy Pathfinder Work Plan contained a list of nine Pathfinder projects (set out in the next section). These nine projects form the initial goals of the Sub-Group in implementing the Pathfinder and were chosen because they are achievable and address important elements of a CBPR system. In addition to working on these projects, the Sub-Group will continue to consider broader policy issues raised by the development of a CBPR system</p> <p>ECSG also conducted capacity building training courses and seminars on data privacy, paperless trading instruments, financial supply chain and e-invoicing, viz:</p> <ul style="list-style-type: none"> <li>- First Technical Assistance Seminar on International Implementation of the APEC Privacy Framework 2008 was held in Lima, Peru on 19–20 February 2008.</li> <li>- APEC-UNCEFACT Joint Symposium on Paperless Trading Capacity Building: Finding Paperless Trading Instruments for Phased Development was held in Seoul, Korea on 26–28 May 2008.</li> <li>- The 3rd APEC E-commerce Business Alliance Forum was held in Beijing, China on 5–6 June 2008.</li> <li>- Seminar on International Implementation of the APEC Privacy Framework was held in Lima, Peru on 12–13 August 2008.</li> <li>- Second Technical Assistance Seminar on International Implementation of the APEC Privacy Framework 2008 was held in Lima, Peru on 12–13 August 2008.</li> <li>- Seminar on e-invoicing framework was held in Lima, Peru on 12–13 August 2008.</li> <li>- APEC E-trade &amp; Supply Chain Management Training Course was held in Beijing, China on 11–12 November.</li> <li>- APEC Conference “Reference Model of APEC Transborder E-Trade Hub” was held in Beijing, China on 14–15 November 2008.</li> <li>- APEC Data Harmonization towards Single Window Paperless Environment” workshop and seminar will be held in Bangkok, Thailand on 8–12 December 2008.</li> </ul>
<p><b>Automotive Dialogue (AD)</b></p>	<p>AD commenced with the implementation of the Model Port/Customs Import Automation project which is aimed at developing and implementing an online automated import documentation system in order to expedite trade transactions of automotive SMEs and OEMs. A survey of industry practices has been completed.</p>
<p><b>Chemical Dialogue (CD)</b></p>	<p>CD's activities to develop best practices principles for chemical regulation and to implement the globally harmonized system will contribute significantly to trade facilitation and a more predictable business environment.</p>

SUB-FORA	WORK UNDERTAKEN
	<p>Report of the virtual working group on GHS implementation. KPI for this activity would be to use the report to inform the activities of the UNSCEGHS expert working group and thus bring consistency into the process and as a contribution by APEC to the Strategic Approach to International Chemicals Management (SAICM) process.</p> <p>Identification of specific issues with GHS implementation. KPIs for this activity would be (1) a catalog of issues to facilitate solutions and identify capacity building needs; (2) information sharing to bring consistency to approaches to GHS implementation; (3) establishment of a GHS consumer products sub-group.</p> <p>The development of best practice principles for chemical regulation consistent with the APEC-OECD integrated checklist on regulatory reform. KPI for this activity would be the completion of the regulatory best practices report as (1) guidance for APEC economies to achieve more efficient and effective regulatory approaches, (2) collection of case studies and facilitation of information exchanges on best practices as appropriate, and (3) as an APEC contribution to SAICM.</p> <p>Information sharing on REACH implementation and a catalog of tools and challenges with trade distorting effects experienced with implementation. The KPI for this activity would be to facilitate improved awareness and a consistent approach to REACH implementation in the region.</p> <p>Share informational materials provided to manufacturers on REACH requirements and implementation.</p> <p>Exchange information and catalogue REACH implementation issues, particularly trade distorting effects, including on the supply chain.</p> <p>Provisions in regulatory best practice principles on consultative mechanisms and stakeholder outreach consistent with the implementation of APEC's transparency standards.</p> <p>Sharing experiences on GHS implementation and regulatory best practices, tools and approaches.</p>
<p><b>Life Sciences Innovation Forum (LSIF)</b></p>	<p>LSIF undertook additional initiatives on the harmonization of regulatory procedures to international best practices, including the establishment by Korea of an APEC LSIF Regulatory Harmonization Centre for life sciences products, and a follow on small group; self-funded, training workshop on ICH quality guidelines in Beijing in November 2008. The harmonization of standards and regulatory procedures for medical life sciences products and services will assure that patients receive timely access to quality treatments.</p> <p>Completion of the Asian seminars for the fourth APEC project for harmonization of medical device regulations. This included a four-day training program held during the first week of March 2008 in Kuala Lumpur, Malaysia. The Latin America portion of the project will be held in Canada in May 2009. The Latin American program will be similar in nature to the Kuala Lumpur seminar.</p>

## Section IV: Digital Economy and Strengthening Intellectual Property Rights

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### Highlights:

- The development of an APEC Digital Prosperity Checklist to facilitate ICT use as catalysts for growth and development as an enabler of growth based on six pillars of the information or digital economy: information flows, infrastructure, innovation, intellectual capital, investment and integration. (see Appendix 5).
- Seminar on Partnership in IP Protection held in Lima on 20 February which focused on the partnership between IP offices, border enforcement agencies and IP rights owners to fight piracy and counterfeiting.
- Seminar on Raising Awareness and Providing Policy Insights on Promoting Appropriate Access to Genetic Resources and Protection of Traditional Knowledge in APEC Economies held in Lima, Peru on 13–15 August. The seminar promoted members' wider and deeper understanding on the increasingly important and evolving topics of traditional knowledge and genetic resources.
- Seminar on Plant Variety Protection (PVP) System held in Jakarta on 7 November. The Seminar aimed to deepen understanding and promote awareness of the importance and benefits of an effective PVP system, thereby reinforcing the efforts on prevention of infringement of breeders' right and protection of new varieties of plants.
- The adoption of an initiative on strategic consideration of IPR Capacity Building Requirements in APEC Economies in support of the Model Guidelines to Strengthen IPR Capacity Building. The initiative aims at a more strategic and structured approach to designing and delivering capacity-building programs. A workshop will be held at the end of the year aimed at increasing awareness among enterprises in APEC Economies about effective supply-chain management to prevent IP infringement. A case-study approach will be used to increase the participants' understanding of implementation of the supply chain guidelines. Government officials, academics and SMEs will be invited to attend.
- The development of a Survey on Patent Examination Co-operation Practices among APEC economies. The objective of the survey was to pave the way in the long term for potential greater sharing of patent examination data among APEC economies.
- IPEG discussed proposal on developing a platform for information sharing on IPR infringement.
- To meet the objectives of the Cooperation Initiative on Patent Acquisition Procedures, IPEG continued with work on a possible roadmap for further cooperation on patent acquisition.
- IPEG discussed a proposal on APEC Satellite and Cable Signal Theft Initiative.

- IPEG discussed proposal on APEC survey of IP abuse and IP in standardization.

**Work Plan:**

In 2008, CTI adopted a work plan on Digital Economy and Strengthening IPR which included:

*Digital Economy*

- Increasing participation in and implementation of the Pathfinder on the APEC Technology Choice Principles.
- Implementing the Leaders' Digital Statement by taking a collective leadership in the WTO on digital economy issues as called for in the 2002 Leaders' Digital Statement.
- Taking a collective leadership role on ensuring that the ITA is maintained.
- Examining the role of legal, regulatory, and trade policy frameworks and their impact on capacity of APEC economies to use and develop ICTs to generate value for economies through the development of a Digital Growth Checklist.

*Intellectual Property Rights*

- Taking concrete steps that build on the APEC Anti-Counterfeiting and Piracy Initiative to reduce piracy, including online piracy, and trade in counterfeit goods.
- Explore opportunities for cooperation and information sharing to improve the IPR systems in the APEC economies.
- Increasing cooperation, training, and capacity building programs on intellectual property rights protection and enforcement, as well as commercialization, to create a climate that promotes creation and innovation in all APEC economies.

**Table 4: Sub-fora Outcomes – Digital Economy and Strengthening IPR**

SUB-FORA	WORK UNDERTAKEN
<p><b>Sub-Committee on Customs Procedures</b></p>	<p>SCCP-IPEG Joint Session on Cooperation on Border Enforcement for IPR Protection, 21 February. The session enabled members from SCCP members to exchange information as well as to better understand current situation and IPR border enforcement when dealing with counterfeiting and pirated goods. SCCP members agreed with the importance of making efforts to continue cooperation between SCCP and IPEG, including information sharing, among IP authorities, IP experts and border-enforcement authorities.</p>
<p><b>Electronic Commerce Steering</b></p>	<p>Development of a Digital Prosperity Checklist that outlines specific steps economies can take to enable an economy to utilize ICTs as catalysts for growth and development. The Checklist will build on the current work streams</p>

SUB-FORA	WORK UNDERTAKEN
<b>Group (ECSG)</b>	<p>and projects, including data privacy and paperless trading, which are key elements of ICT-enabled growth. The Checklist is based on six pillars of the information or digital economy: information flows, infrastructure, innovation, intellectual capital, investment and integration.</p> <p>The development of the regulatory and policy checklists and associated guidance documents for e-commerce will be significant contributions to the CTI's trade facilitation, transparency, capacity building and investment priorities and will enhance aspects of the CTI's Digital Economy and IPR agenda.</p>
<b>Automotive Dialogue (AD)</b>	<p>AD discussed a proposal to conduct an IPR Seminar to share information and spread public awareness of IPR Protection and safety concerns related to counterfeit products usage; and share information regarding the negative impact of counterfeit products on safety, environment and automotive industry development.</p>
<b>Life Sciences Innovation Forum (LSIF)</b>	<p>LSIF has an active program to combat counterfeiting of medical products and thus help assure the safety and efficacy of medical products and the safety and integrity of the medical products supply chain. LSIF recognizes the importance of the protection of intellectual property in the innovation value chain and is developing a module in its study on the benefits of investment in health innovations that will address this issue.</p> <p>LSIF completes its Asian seminar series of medical products anti-counterfeiting training and preparation for the Latin American seminar in Mexico City, in February 2009.</p> <p>LSIF encourages coordination between health, IP, legal and law enforcement officials in national economies to better combat counterfeiting of medical products.</p>

## Section V: Investment

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### Highlights:

- CTI, supported by a FOTC group and the IEG developed an APEC Investment Facilitation Action Plan (IFAP) for 2008–2010 (see Appendix 6) in response to Leaders' instructions in 2007 to further promote investment in APEC member economies. IFAP was endorsed by Ministers Responsible for Trade (MRT) at their meeting in Arequipa on 31 May–1 June. CTI (assisted by the IEG) is now developing a work program, including identifying KPIs and reporting methodologies, to implement the actions in IFAP for endorsement by MRT 2009.
- Trade Policy Dialogue on the Relationship between Investment Flows and Open Markets was conducted jointly by MAG, GOS and IEG in Lima on 25 February. The dialogue discussed important emerging issues and developments on aspects of the relationship between investment, trade in services and trade in goods. The points raised in the dialogue provided economies with preliminary ideas of the elements business, in particular, would look when making investment decisions.
- APEC-UNCTAD Joint Capacity Building Project for Addressing Knowledge Gaps in the Use of Foreign Direct Investment (Stages 1 & 2) 2007–2009 — case study economies selected and agreed, field work completed on Stage 1 and work continuing on report expected to be ready for IEG 1 in 2009. Further progress report on Stage 2 also due at IEG 1 2009.
- Completion of the Capacity Building training workshops for International Investment Agreements. The first workshop held from 5-9 May in Singapore focused on the scope, content, and negotiation of high-standard investment agreements for officials in APEC member economies responsible for the negotiation and implementation of investment treaties and the investment chapters of trade agreements. The second workshop, focusing on investor-state arbitration under the high-standard investment agreements, was held on 3-7 November in Washington.
- Seminar on Good Governance on Investment Promotion held on 19-20 May in Lima focused on the analysis and proposal of necessary instruments to improve good governance on investment promotion as a way to improve the investment climate in APEC region.
- Seminar on Recent Trends on Investment Liberalization and Facilitation in Transport and Telecommunications Infrastructure was held 13–14 August in Lima. The seminar explored the performance of Investment Promotion Agencies with respect to the implementation of infrastructure development policies in APEC member economies.
- Seminar for Capacity Building for Sharing Success Factors of Improvement of Investment Environment held on 15–16 August in Lima. In this public-private sector discussion, participants shared successful experiences of increased investment and discussed investment treaties, investment-related policies and trade in services.

- Completion of joint work between IEG and ABAC on the investment environment including conducting training courses 'Capacity Building to Enhance Investment Flows for APEC Regional Economies' held in Melbourne in April and November. The objective of the training courses is to enhance both domestic and foreign investment flows, which have been identified as critical challenges for promoting development and regional economic integration.
- Implementation of Phase 2 of the Study of the Core Elements in Existing RTAs/FTAs and BITs buildings on Phase 1 of the study which included a stocktake of core elements in 28 intra-APEC international investment agreements.
- Conduct Ease of Doing Business (EODB): Investment at the Sub-national Level to Promote Economic Integration (Phase1). This project involved the completion of three case studies at the sub-national level of successful efforts to overcome the behind-the –border barriers to investment. It draws on the World Bank's expertise in using its EODB indicators as a diagnostic tool for improving national performance to the level of better practice of best performing states/provinces.
- IEG undertook a review of its CAP at IEG3 to take into account the IFAP endorsed in MRT.
- Development of an Enablers of Investment Checklist (see Appendix 7) by the LSIF as a voluntary investment facilitation tool to guide economies that wish to develop an innovative life sciences sector. This Checklist can be used as a voluntary guidance tool for policymakers in each APEC economy to assess the strengths and weaknesses of their investment environment.
- Completion of a study on the benefits of investment in health innovations by LSIF as called for by APEC Ministers in September 2007.

### **Work Plan:**

IEG adopted the following work plan which is structured around CTI's 2008 priorities to facilitate progress reporting:

#### CAP Implementation and Review

- Continue to review the CAP with a view to increasing the transparency of investment policies, reducing complexity so as to increase certainty and predictability for investors resulting in lower costs of cross-border investment.

#### Strengthening Regional Economic Integration

- *Exploring a FTAAP*: Review existing analytical work on investment issues relevant to a possible FTAAP and assess the need for any additional analytical work.
- *Promotion of RTAs and FTAs*:
  - Continue to provide input as required by Lead Economy for the development of Investment and Services Model Measures chapters.
  - Achieve greater consistency in key provisions of RTAs/FTAs in the region through capacity building projects namely: (i) Capacity Building for International Investment Agreements; (ii) Capacity Building for Sharing Best

Practices of Improvement of Investment Environment; and (iii) Undertake Stage 2 of the study of the Core Elements of International Investment Agreements.

- *Investment- Research and Analysis:*
  - APEC-UNCTAD Joint Capacity Building Project for Addressing Knowledge Gaps in the Use of Foreign Direct Investment (Stages 1 & 2) 2007–2009 — undertake the four best practice case studies and associated capacity building.
  - Continue to update List of Analytical Studies on FDI and developments in international investment agreements.
- *Investment- Facilitation and Promotion including the development of the IFAP:*
  - Assist CTI by providing advice on the development and implementation of the IFAP.
  - Implement projects: Good Governance on Investment Promotion; and Capacity Building for Sharing Best Practices of Improvement of Investment Environment.
- *Investment- Liberalization of border barriers to FDI:*
  - Implement projects: Recent Trends on Investment Liberalization and Facilitation in Transport and Telecommunications Infrastructure; and Capacity Building for Sharing Best Practices of Improvement of Investment Environment.
- *Transparency:* Consider lessons learned from implementation of update to Investment Guidebook and review next steps.
- *Structural Reform, behind-the-border barriers:*
  - Project with EC on using the World Bank's EODB Indicators and Investment Climate Surveys as a tool for promoting investment climate reform.
  - Consider further capacity building events sharing experience on the Policy Framework for Investment.
- *Private sector engagement, sectoral issues:*
  - Continue to strengthen dialogue and cooperation with the private sector, including through ABAC.
  - Continue to work with ABAC to identify potential joint activities (including public-private dialogues) that would benefit the APEC business community by facilitating trade and investment and addressing structural reform issues.
  - APEC-UNCTAD Joint Capacity Building Project for Addressing Knowledge Gaps in the Use of Foreign Direct Investment (Stage 2) — case study on SMEs linkages.
  - Examine possible contribution to Peru's theme of corporate social responsibility.

#### Capacity Building and Information Sharing

- Consider development of *Investment Reform Toolkit* utilizing outputs from previous capacity building projects



Inputs to Investment work undertaken by other APEC fora

- Continue to work with HRDWG in implementing the project of *Capacity Building for Investment Liberalization and Facilitation in 2007–2008*.
- Continue to work with EC on investment issues related to structural reform including as necessary, participation at meetings and events, inputs to projects, etc.
- Continue collaboration with EWG on its study to identify barriers to trade and investment in energy, including behind-the-border barriers, to the adoption of new, cleaner and more efficient fuels and technologies. Assist where possible with APEC Energy Investment and Trade Roundtable in 2008.
- Collaborate with SMEWG on work to examine the EODB Indicators.
- Collaborate with the MTF to study the recommendations made in the 2007 Mining REI study on impediments to trade and investment in mining and assist as necessary to propose possible actions for the next APEC Mining Ministerial Meeting.
- Work with FMP officials as necessary on issues relating to capital market development and investment efficiency.

## Section VI: Collective Actions, Pathfinder Initiatives and Industry Dialogues

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### Collective Action Plans

Collective Action Plans (CAPs) continue to frame the work plans of the CTI and its sub-fora. These CAPs are living documents and, in 2008, they were revised and enhanced in pursuit of the Bogor Goals (see *Appendix 8*).

Many of these improvements were made in response to the priorities set by Leaders and Ministers, including the call to ensure deliverables in CAPs are relevant to business. 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.

Some highlights from sub-fora collective action plans:

The **Market Access Group (MAG)** advanced work on initiatives on tariff and non-tariff measures that contributed to the APEC activities in support of the WTO. Specific deliverables included the successful conclusion of informative capacity building workshops that enhanced the understanding of members on the market issues relating to IT/Electronics Industry and environmental goods and services. The Group discussed and provided technical inputs to an environmental goods and services (EGS) work program framework. This framework will enable MAG to elaborate a work plan to advance APEC work on environmental goods and services by MRT in 2009.

The **Group on Services (GOS)** discussed and developed activities aimed at better understanding the role of services in an economy as well as in support of the WTO. For 2008, sectors discussed included educational services, energy services, environmental services, legal services, and health services. GOS conducted APEC Training Seminar on Trade in Energy Services and a Capacity Building Seminar on Transnational Education Services aimed at improving the understanding of regulatory issues impacting these sectors. It undertook joint activities with MAG and IEG as well as the Competition Policy Deregulation Group and organized a Trade Policy Dialogue on aspects of the relation between investment, trade in services and trade in goods on 25 February 2008 and a Conference on Competition Policy Issues in Services on 17 August 2008.

In 2008, the **Investment Experts Group (IEG)** supported the CTI's efforts in delivering the Investment Facilitation Action Plan (IFAP) for 2008–2010 and has agreed on three priority themes to address IFAP action points: e-transparency, reducing investor risk through more certainty, and simplifying business regulation. IEG has undertaken a significant capacity building effort in the area of investment. The group has embarked on several short- to medium-term multi-stage capacity building projects with strong linkages both to each other and the work of other APEC fora. These include: APEC-UNCTAD Joint Capacity Building Project for Addressing Knowledge Gaps in the Use of Foreign Direct Investment (Stages 1 & 2) 2007–2009; Capacity Building Workshops on International Investment Agreements held on 5–9 May and October 2008; and Seminar for Capacity Building for Sharing Success Factors of Improvement in Promoting Public-Private Sector Dialogue.

The ***Sub-committee on Standards and Conformance (SCSC)*** assists the CTI to deliver the standards and conformance related outcomes of APEC's trade and investment liberalisation and facilitation agenda. For 2008, the SCSC established a tripartite (industry, government and academia) APEC Partnership Training Institute Network (PTIN) under Food Safety Cooperation Forum aimed at increasing participation of the private sector and academia in the training aspects of the Food Safety Cooperation Forum. It also conducted several activities in support of advancing the FSCF agenda such as: Capacity-Building Training on Food Safety Risk Communication for APEC Developing Member Economies, 23–27 June, and APEC Seminar on Food Safety Control System and Risk Analysis, 6–8 August. The SCSC also identified key performance indicators (KPIs) for implementing the second Trade Facilitation Action Plan (TFAP II). The annual events, 5th Conference on Good Regulatory Practice and 7th Standards and Conformance Conference were held in the margins of SCSCII on 9 August and 10–11 August respectively.

In 2008, implementation of the Single Window Initiative continued to be a key priority area of focus for the ***Sub-committee on Customs Procedures (SCCP)***. A new single Window Working Group (SWWG) Phase 2 was set up to oversee the implementation of the 2007 Single Window Strategic Plan and its recommendations. SCCP developed KPIs and reporting methodologies for tracking progress in implementing the customs-related measures in the TFAP II. It also continued to progress implementation of the APEC Framework for Secure Trade as well as measures relating to the simplification and harmonization of customs procedures. The SCCP also conducted several seminars and workshops on Time Release Survey, Single Window Initiative, Valuation Criteria in Advance Rulings and APEC Framework on Secure Trade.

The ***Intellectual Property Rights Experts Group (IPEG)*** worked on a range of activities of IPR in the region, including on patent acquisition procedures, cooperation among enforcement agencies, innovative techniques for IPR border enforcement, signal theft, counterfeit market places, plant variety protection, abuse of IPR, IPR in standardization and IPR capacity building. In particular, a joint-fora session was held with the SCCP to address challenges on border enforcement for IPR protection and help map out future work towards balancing trade facilitation and IP protection. A seminar on the issue of exploiting and protecting genetic resources and traditional knowledge was conducted with support from international organizations to promote exchanges of views and deepen understandings on these issues among member economies. A survey on access to genetic resources and protection of traditional knowledge was also conducted during the year.

Recognizing the important role of public education and awareness on IP protection, an interactive e-learning program, IP Xpedite, was launched with the aim of increasing awareness and utilization of IP information. An external website, <http://www.apecipeg-pear.org>, containing a range of existing resources designed for the purposes of improving the awareness and knowledge of IP, was revamped to facilitate information sharing and resource usage between member economies.

The ***Government Procurement Experts Group (GPEG)*** continued to exchange information on the developments of e-procurement systems and best practices related to government procurement as well as information on multilateral and bilateral trade agreements negotiated by member economies. GPEG agreed to develop a framework for eProcurement Guidelines for reference of member economies in order to assist them in developing and enhancing their own eProcurement Systems. GPEG members supported a proposal to undertake a stocktake of member economies' government

procurement systems and policies in an effort to facilitate the entry by private businesses/enterprises into the government procurement markets of APEC economies.

The ***Business Mobility Group (BMG)*** continued work that would facilitate business travel while ensuring passenger safety and border security. Specifically, the BMG worked on expanding the membership and participation in the APEC Travel Business Card (ABTC) scheme, the unilateral Advanced Passenger Information (API) systems and the Regional Movement Alert System (RMAS). The group agreed on a set of KPIs to measure collective progress on implementing the BMG's agreed TFAP II actions and a methodology for reporting against these KPIs and BMG's TFAP II actions. The Report indicates progress has been made in most of the agreed eight Action areas including the ABTC, with a 169% increase in the number of active cardholders since end 2006 and a 79% increase in the year 31 July 2007–31 July 2008.

The ***Electronic Commerce Steering Group (ECSG)*** recognizes the importance of public-private collaboration in developing an environment conducive to e-commerce and encourages the active participation and contribution of the private sector in its meetings and activities. The ECSG's work is supported by 2 sub-groups. The Data Privacy sub-group which oversees the implementation of the Data Privacy Pathfinder that was adopted last year. The sub-group focused on the development of KPIs for the ECSG's collective action under TFAP, the *Data Privacy Pathfinder*: (1) the number of economies participating in the Pathfinder; (2) the number of economies that develop domestic frameworks that refer to the APEC Privacy Framework; and (3) the number of documents (including guidelines, directories, and templates) developed in conjunction with the *Pathfinder*. The sub-group also developed an APEC Privacy Framework aimed at promoting a consistent approach to information privacy protection, avoid the creation of unnecessary barriers to information flows and prevent impediments to trade across APEC member economies. The Framework provides technical assistance to those APEC economies that have not addressed privacy from a regulatory or policy perspective.

The paperless trading sub-group oversees the development and implementation of several projects on the use of paperless trading in commercial processes. The areas covered by these projects, involving both business to business transactions and business to government transactions, include: electronic certificate of origin; electronic invoicing; data harmonization and single window; and e-government procurement.

## Pathfinder Initiatives

In 2008, lead economies continued to promote increased participation in the existing TILF-related Pathfinder initiatives.

**Table 6: Status of TILF-Related Pathfinders (as of 23 August 2008)**

Pathfinder	Lead economy	APEC Forum responsible	Membership status - Sept 2004	Membership status
<b>Trade and the Digital Economy</b>	United States	N/A (launched at Leaders level; CTI has oversight)	18	20
<b>Advance Passenger Information (API)</b>	Australia	BMG	All agreed on API standards; 6 either fully implemented or committed to implementation; 8 undertaken feasibility studies; 6 committed to undertaking feasibility studies.	All agreed on API standards; 15 either fully implemented or committed to implementation; 10 undertaken feasibility studies.
<b>E-Cert SPS</b>	Australia & New Zealand	ECSG	6	6
<b>Kyoto Pathfinder</b>	Australia	SCCP	15 participating in Part A; 8 participating in Parts A & B.	Has become a CAP in the SCCP.
<b>Mutual Recognition Arrangement of Conformity Assessment on Electrical and Electronic Equipment</b>	Australia	SCSC	15 participating in Part I; 3 participating in Parts II & III.	16 participating in Part I; 5 participating in Part II; 4 participating in Part III.
<b>Electronic Certificates of Origin</b>	Singapore	ECSG	3	3
<b>Food MRA</b>	Thailand	SCSC	5	5
<b>Technology Choice Principles</b>	United States	CTI	N/A	15
<b>Data Privacy</b>	Australia	ECSG	N/A	16

## **Industry Dialogues**

### ***Automotive Dialogue***

The **Tenth Automotive Dialogue** was held in Singapore on 9–12 September. The Dialogue continued to address market access issues in the automotive sector, identified existing barriers to growth, and explored the development of mechanisms for APEC economies to cooperate in addressing and reducing these impediments. Its work is being carried out by five working groups covering the areas of (i) market access; (ii) customs; (iii) harmonization of regulations and road safety; (iv) small and medium size enterprise development; and (v) intellectual property rights. At this meeting, members agreed to advance work on automotive rules of origin in the context of proliferating bilateral and regional FTAs for consideration at CTI1. The Automotive Dialogue also initiated work with the Energy Working Group's Biofuels Task Force to develop a work plan to examine issues related to biofuel resources, fuel flexible vehicles and infrastructure, and biofuel economies and trade. In addition, the Automotive Dialogue members agreed to develop the proposals to assist APEC SMEs to gain access to the aftermarket parts markets of developed APEC economies and on motorcycle safety issues.

### ***Chemical Dialogue***

The **Seventh Chemical Dialogue** was held in Arequipa on 22 May 2008 to discuss and develop the proposed 2008-2009 work plan for the Chemical Dialogue (CD) and associated recommendations. The Dialogue discussed several important regulatory and trade-related developments such as the EU REACH (Registration, Evaluation, and Authorization of Chemicals), GHS (Globally Harmonized System of Classification and Labeling of Chemicals), and SAICM (Strategic Approach to International Chemical Management). The Dialogue approved a set of Principles for Best Practice Chemicals Regulation and a Report on issues associated with implementation of the GHS as APEC contributions to SAICM. The proposed Principles were developed in response to concerns by Member Economies for the need to have a common approach in the development of chemical regulations. They provide guidance on matters to be taken into consideration when developing minimum effective regulation. The Dialogue continued to advance work on a common approach to simplifying rules of origin in the chemicals sector as a contribution to APEC's regional economic integration agenda and stepped up exchanges with the European Commission on the implementation of REACH. Members continued to express concern over the potential trade-distorting effects of REACH.

### ***Life Sciences Innovation Forum***

The **Sixth Life Sciences Innovation Forum (LSIF VI)** was held in Lima on 14–15 August 2008. The main theme for this year's forum is *Investment in Health: Driving Innovation through Capacity Building to Implement the LSIF Strategic Plan*. Discussion at LSIF VI focused on ways of analyzing and supporting investment in the innovative life sciences sector in the APEC region; research priorities and innovative ways of addressing emerging health challenges; and new models of cooperation in the harmonization of regulatory procedures. Three major deliverables from this meeting were (1) the finalization of an enablers of investment checklist, called for by Ministers in 2006, which serves as a voluntary guidance tool for policymakers in each APEC

economy to assess the their investment environment for life sciences innovation (see Appendix 8); (2) the study called for by Ministers in 2007 on the benefits of investment in health innovations, which incorporates both health and economic considerations in developing a rigorous cost-benefit analysis for health investment; and (3) the offer by Korea to establish and APEC LSIF Harmonization Center in Seoul to better address regional regulatory training priorities.

## **Section VII – CTI Contribution to APEC-Wide Initiatives and SOM Priorities**

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In 2008, 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 following areas that respond to APEC-wide priorities: Implementation of the Strengthening Regional Economic Integration (REI); Implementation of Leaders' Security Commitments; Structural Reform and Capacity Building and Information Sharing.

### **CTI's Contribution to the Regional Economic Integration (REI) Agenda including Exploring a Free Trade Area of the Asia-Pacific (FTAAP)**

Noting that CTI and its sub-fora were responsible for 24 of the 53 agreed actions from the 2007 Report on *Strengthening Regional Economic Integration*, CTI agreed at its second meeting of the year to establish an REI Friends of the Chair (FOTC) group that would replace the FOTC on RTAs/FTAs and work with relevant sub-fora to advance the implementation of the CTI-related agreed actions in the 2007 REI Report, as well as additional work to take forward the REI agenda. The FOTC developed a preliminary draft work plan to advance the CTI-related actions in 2009. Noting that some of these 24 issues are already taken up by the other CTI FOTC's on Trade facilitation and Transparency; and Investment, the FOTC agreed to prioritize and focus its initial work for 2009 in 3 areas: Rules of Origin (ROOs); Convergences/Divergences of FTAs; and Docking, Merging and Enlargement of FTAs. On ROOs, it was agreed that the FOTC would explore possible additional areas of work related to ROOs (e.g., an examination of various approaches to preferential ROOs, cumulation). On docking, merging or enlargement of FTAs, it was agreed that the FOTC could begin by looking into ways for CTI to engage with the EU and ASEAN to share their experiences on docking/merging/enlargement of FTAs. On convergences/divergences of FTAs, the FOTC would synthesize methodologies between chapter analyses in the on-going convergence/divergence study and consider if scope of the study should be expanded to include more recent FTAs. In addition, it would expand dialogue on ways to achieve greater convergence and minimize divergence in key areas, such as customs administration, trade facilitation, and cross-border services.

CTI held a Trade Policy Dialogue on enlargement, docking, or merging free trade agreements on 24 May which helped members to better understand the concepts of docking or merging FTAs. It also organized a half-day Trade Policy Dialogue (TPD) on the effects of rules of origin (ROOs) on trade on 19 August 2008. The TPD helped members to better understand the challenges arising from the complexity of ROOs in existing trade agreements in the region due to a lack of consistency in preferential ROOs, as well as ROOs procedures and application.

CTI noted and welcomed the proposal by MAG to conduct analytical work on preferential ROOs on a sectoral basis as it would allow members to seek common approaches within APEC. Building on this ROOs work at the MAG, the CTI agreed to convene a TPD at CTI2, 2009 on ROOs.

CTI also welcomed work commenced in the MAG to respond to the Ministers Responsible for Trade's instruction to elaborate a work program on environmental goods and services (EGS). Included in the Framework is a list of projects to be



considered for endorsement. Development of the project list will continue intersessionally. The combination of the framework and the agreed projects will serve as a work plan to be delivered to MRT in 2009.

CTI welcomed the completion of the Investment Facilitation Action Plan (IFAP), and began work to complete an implementation plan, that would include agreed KPIs and reporting methodologies, to be endorsed by Ministers Responsible for Trade in 2009.

CTI members also provided technical inputs to discussion at SOM on the review of existing analytical work relevant to a possible FTAAP and assessing the need for additional analysis. Members noted the potential synergies as well as possible overlap with the work on the inventory of issues relevant to the FTAAP.

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

As in the past years, two CTI sub-fora, the SCCP and the BMG, played key role in supporting APEC's wider security agenda.

**Table 7: Sub-fora Outcomes related to Leaders' Security Commitments**

<b>SUB-FORA</b>	<b>WORK UNDERTAKEN</b>
<p><b>Sub-Committee on Customs Procedures (SCCP)</b></p>	<p>SCCP continued with the implementation of the APEC Framework for Secure Trade. SCCP members also continued to share experiences on their implementation of the Framework. Australia, Japan, Korea and Malaysia shared their experiences in researching, developing and implementing Authorized Economic Operators (AEO) programs including their progress and future plans. China shared its experience in implementing the pilot project with the European Union on secure and smart trade lanes known as the China-EC pilot project. Singapore briefed on the outcomes of the APEC Trade Recovery Programme (TRP) Capacity-Building Workshop held on 23–24 July 2008 in Singapore.</p> <p>Australia also shared the outcomes of its self-funded feasibility study on the use of Unique Consignment Reference (UCR) and Radio Frequency Identification (RFID). Australia is reviewing the outcomes in the context of its Enhanced Trade Solutions (ETS) Program.</p> <p>An APEC Framework for Secure Trade Seminar was held in Guangzhou, China from 31 March to 4 April 2008. The Seminar promoted a better understanding of key principles contained within the APEC Framework for Secure Trade; informed Customs administrations of the basic elements needed to enact practices consistent with the Framework; and provided an overview of validating and auditing private security procedures to personnel who would be involved in the supply chain security, which is essential to the Authorized Economic Operator program as described in the Framework. A further workshop which will continue the capacity building effort and support the implementation plan is expected to be held in 2009.</p>
<p><b>Business Mobility Group (BMG)</b></p>	<p>BMG continued to actively progress its Security work program in 2008. This work is being addressed through a number of initiatives including expansion of the functionality of the Regional Movement Alert System (RMAS), with work continuing towards the expansion of membership through discussions with several economies which have the immediate technical capability.</p> <p>BMG completed a successful Frequent Passenger Programs Workshop on 12–14 August 2008 in Lima. The Workshop was valuable in providing an opportunity for economies to share information about the forms of biometric applications available to facilitate the safe movement of increasing volumes of passengers across borders and the benefits of the different approaches. The Workshop also provided ideas for the BMG to explore for possible capacity building projects in the future. The Workshop also reinforced and complemented earlier work by the BMG in 2006-07 on the benefits of introducing biometric travel documents.</p> <p>BMG continued to encourage economies to implement the unilateral Advance Passenger Information (API) systems as soon as possible. To</p>

SUB-FORA	WORK UNDERTAKEN
	<p>date, a total of 12 economies have either implemented or have announced their commitment to implementing an API system, including: Australia; Canada; China; Hong Kong, China; Japan; Korea; Malaysia (implemented for sea arrivals and planned for air arrivals); Mexico; New Zealand; Chinese Taipei; Thailand; and the United States. A further three economies have plans to implement API in the future, making a total of 15 economies committed to API, and one other economy is to trial an API system this year;</p> <p>BMG commenced work to draft an Identity Assurance Framework that will guide economies in implementing best practice arrangements to ensure integrity in their enrolment processes for biometric travel and other identity documents.</p>

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

Structural economic reform is a core element of APEC's agenda, integrating the three pillars of trade and investment liberalization, business facilitation, and economic and technical assistance and cooperation. The CTI Chair recognizes the fundamental importance of tackling 'behind-the-border barriers to trade and investment in the creation of well-performing, resilient and robust economies. The CTI welcomed the outcomes of the inaugural Structural Reform Ministerial Meeting (SRMM) in Melbourne in August 2008 and noted endorsement by Ministers of APEC's Good Practice Guide on Regulatory Reform. CTI recognizes the importance of developing a program of practical support for member economies to successfully undertake structural reform, including capacity building initiatives.

The CTI Chair and the EC Chair continued to maintain close contact with each other to ensure they worked in a seamless way and to ensure complementarities and links between the two committees were strengthened. The CTI and EC Chairs attended each others' meetings to brief the respective Committees on their work programs. They have also identified areas of synergies between the two Committees and agreed to collaborate with one another to maximize resources. The areas identified were (i) trade logistics including possible follow-up to the World Bank's Study on Transparency and Trade Facilitation in the Asia-Pacific; (ii) IFAP; and (iii) capacity building.

### **Capacity Building and Information Sharing**

CTI discussed and agreed to promote capacity building in a more holistic way in collaboration with the EC, SCE and BMC for CTI and its sub-fora. The Committee agreed to keep the informal Capacity Building Steering Group (CBSG), established in 2007, until the end of year, to help it to more effectively address capacity building in its activities. As the way forward, the CBSG suggested that the CTI:

- evaluate the BMC policy paper to determine how a similar process could help improve project ranking and be applied to multi-year projects in CTI and the sub-fora;
- review the multilateral institutions work undertaken by the SOM Steering Committee on Economic and Technical Cooperation (SCE) to identify leverages for effective engagement by CTI;

- identify areas of capacity building that could benefit from a longer-term, focussed approach;
- work with the Secretariat to improve the search facility of the APEC Project Database in order to better avoid duplication and to enhance linkages with previous capacity building work;
- discuss possible taskings for the Policy Support Unit related to the capacity building needs of member economies.

Acknowledging that the work on Capacity Building is a vital element to APEC's REI agenda, and noting the synergies between the EC and CTI on behind the border issues that inhibit cross-border trade and investment, it was agreed that both Committees would work together in taking this issue forward in 2009.

## Section VIII: Interaction with Business

CTI and its sub-fora collaborate with the business community to ensure that private sector perspectives contribute to APEC's trade and investment outcomes. In 2008, the Committee continued to engage with ABAC as the key voice of the business community in the APEC process. CTI and its sub-fora welcomed ABAC's appointment of Liaison Representatives to liaise with designated APEC fora. The CTI Chair accepted invitations to attend ABAC's 2008 meetings to brief ABAC on the Committee's work programs and exchange views on issues of mutual interest. Senior representatives from ABAC also participated in meetings of the Committee and a number of its sub-fora. CTI welcomed their active participation.

CTI and its sub-fora delivered outcomes consistent with ABAC's 2007 recommendations as outlined in the following table:

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

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p><b>Trade: <i>Support for the Doha Round and Free Trade Area of the Asia-Pacific</i></b></p> <p>ABAC has been active in pushing for a resumption of the Doha Round. ABAC continued to engage other international business organizations such as Business Europe and the International Organization of Employers in making representations to the World Trade Organization in Geneva to promote the importance of freeing-up world trade to the Asia-Pacific. The status of the Doha Round and the consequences of its failure are of deep concern to the business community.</p> <p>ABAC supports the strong statement of the APEC Leaders on the resumption of the Doha Round and carrying it through to its successful conclusion.</p> <p>ABAC members reiterate their belief that options for the future, such as a Free Trade Area of the Asia Pacific (FTAAP), would offer opportunities to advance the trade and investment liberalization and facilitation agenda envisaged in the Bogor Goals. An FTAAP could serve both the objectives of addressing the proliferation of free trade agreements (FTAs) in the Asia Pacific region as well as promoting a higher level of convergence and consolidation of FTAs in a comprehensive and WTO-plus manner. Since many issues and steps still need to be undertaken in regards to a possible FTAAP,</p>	<p><u>Support for the Doha Round</u></p> <p>"Support for the Multilateral Trading System" remained as one of CTI's highest priorities. CTI and its sub-fora continued to conduct capacity building activities to help developing economies to better understand WTO issues, participate in WTO negotiations, and better implement WTO obligations. These included:</p> <ul style="list-style-type: none"> <li>• APEC Workshop on Environmental Goods and Services (Climate Change) held on 20 May; and</li> <li>• APEC Training Course on Anti-dumping held on 3–4 July.</li> </ul> <p>CTI/MAG commenced work to develop an Environmental Goods and Services (EGS) work plan that would promote the development of the EGS sector in APEC. An EGS work program framework was adopted as the basis for the EGS work plan which is under development to be delivered to the MRT in 2009.</p> <p>The Automotive and Chemical Dialogues continued with their efforts to raise awareness of automotive/chemical sectoral discussions in WTO/NAMA negotiations. Likewise, other CTI sub-fora such as GOS, IPEG, GPEG, and SCSC continued to monitor relevant developments in Geneva.</p>

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>ABAC and APEC must work together to prepare APEC economies fully for this possibility.</p> <p>ABAC recommends that APEC:</p> <ul style="list-style-type: none"> <li>• continue to push strongly for the resumption of the Doha Round; and</li> <li>• deepen its study of the FTAAP and draw-up a work program toward its fruition.</li> </ul>	<p><u>FTAAP</u></p> <p>CTI and its sub-fora provided technical inputs and support towards SOM's efforts in implementing the 53 agreed actions contained in the 2007 Leaders Report on Strengthening Regional Economic Integration in the Asia Pacific. CTI discussed a preliminary draft work plan to advance the CTI-related Regional Economic Integration (REI) actions in 2009. This work plan will be further developed and elaborated for consideration and adoption at CTI1 next year.</p> <p>CTI conducted Trade Policy Dialogue on the Enlargement, Merging and Docking of Free Trade Areas on 24 May to help economies better understand these issues and how they contribute to strengthening the REI agenda.</p>
<p><b>Trade: Rules of Origin</b></p> <p>In 2007, ABAC engaged the University of Southern California (USC) Marshall School of Business to conduct research with the following objectives:</p> <ul style="list-style-type: none"> <li>• Develop a descriptive/evaluative comparison of Rules of Origin across all APEC preferential trade agreements; and</li> <li>• Evaluate which dimension of Rules of Origin generate the greatest complexity and associated transaction costs, and have the most impact on business's trade and investment decision.</li> </ul> <p>ABAC recommends that APEC:</p> <ul style="list-style-type: none"> <li>• consider the research of the USC Marshall School of Business in its deliberations and seek solutions towards harmonizing ROOs;</li> <li>• work with the USC Marshall School of Business on ROO analysis as research on a sectoral basis is ongoing; and</li> <li>• Actively support the APEC Chemicals Dialogue effort to develop harmonized rules of origin for the chemical industry and use the results of the effort as a reference for promoting harmonization of ROOs in other industry sectors.</li> </ul>	<p>CTI conducted a half-day TPD on Effects of Rules of Origin (ROOs) on Trade on 19 August that helped economies to better understand the challenges arising from the complexity of rules of origin in existing trade agreements in the region.</p> <p>MAG worked with ABAC to further understand the outcomes of the Marshall study on ROOs and agreed to conduct analytical work on preferential ROOs with regard to specific sector(s) as instructed by REI.</p> <p>MAG has agreed to undertake analytical work on preferential ROOs with regard to specific agreed upon sectors in support of the REI agenda. Individual economies would volunteer to shepherd the analysis of the agreed sectors and the goal would be to complete work on three or four sectors by the end of 2009. If the results of the work completed in 2009 are productive, additional sectors would be selected for examination in 2010.</p> <p>The Chemical Dialogue endorsed a concept paper on simplification and harmonization of ROOs for the chemicals sector.</p>

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p><b>Trade: Trade Facilitation Action Plan</b></p> <p>ABAC will continue to review the decisions taken to implement APEC's TFAP II to assess the implications for business.</p> <p>ABAC recommends that APEC:</p> <ul style="list-style-type: none"> <li>• ensure a balanced action plan on trade facilitation and investment liberalization;</li> <li>• provide regular updates to ABAC on progress of the TFAP II; and</li> <li>• devise meaningful Key Performance Indicators (KPIs) to realistically assess gains to business from implementation of TFAP II and keep ABAC informed.</li> </ul>	<p>CTI agreed on key performance indicators (KPIs) to implement the second Trade Facilitation Action Plan (TFAPII), taking into account inputs provided by ABAC. CTI has requested the PSU Manager to assist in developing a rigorous methodology by which the effect of the implementation of the KPIs can be measured for the Committee's consideration.</p> <p>CTI Chair participates in the ABAC's Facilitation working group (FWG) and Liberalisation working group (LWG) to provide them with regular updates on progress in implementing CTI's 2008 priorities, including TFAPII.</p>
<p><b>Trade: Regional and Free Trade Provisions</b></p> <p>A priority for ABAC will be steps to enhance the convergence of regional trade agreements in Asia Pacific. ABAC calls for increased effort by APEC to develop business-oriented model measures chapters for any new regional trade agreements and to encourage compliance by economies currently negotiating or intending to negotiate RTA/FTAs.</p> <p>ABAC recommends that APEC:</p> <ul style="list-style-type: none"> <li>• Develop model RTA/FTA measures that are consistent with the Bogor Goals and which can be used by APEC economies as model text when negotiating FTAs; and</li> <li>• Agree to ABAC becoming more involved in the development of model measures, particularly on trade facilitation, before agreement by CTI and presentation to Ministers, in order to ensure business input and a business perspective in these model measures.</li> </ul>	<p>CTI provided technical inputs/support to a SOM-level analytical study on identifying convergences and divergences in 14 chapters of 30 APEC RTAs/FTAs. Noting that several new FTAs have been concluded since the commencement of the study, CTI began discussions on how best to undertake further work to ensure the greatest level of consistency going forward.</p> <p>CTI completed its mandated task to develop by 2008 comprehensive model measures on as many commonly accepted RTA/FTA chapters as possible. Agreement has been reached on model measures in 14 areas. CTI agreed to include the model measure on customs administration and trade facilitation as developed by ABAC as part of the package of RTA/FTA model measures adopted in 2008.</p>
<p><b>Investment: Investment Liberalisation and Increasing Investment Flows</b></p> <p>During 2007, ABAC has given priority to issues surrounding the promotion of investment, as a key factor underpinning regional economic growth. ABAC welcomed steps by APEC to complement its trade facilitation work program with a targeted action plan to foster greater investment liberalisation and facilitation, including work with the OECD and its Policy Framework for Investment and</p>	<p>CTI developed an APEC Investment Facilitation Action Plan (IFAP) for 2008-2010 aimed at further promotion of investment in the APEC member economies. IFAP was endorsed by Ministers Responsible for Trade (MRT) at their meeting in Arequipa on 31 May-1 June. CTI (supported by its IFAP FOTC and IEG) has commenced work to develop a work program, including identifying KPIs and</p>

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>utilisation of intensive public-private dialogues.</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>• continue to collaborate with ABAC to advance and promote investment liberalization and facilitation;</li> <li>• utilize the result gained through the Public-Private Symposiums in Montreal, Tokyo and Cairns that identified 10 priority areas of impediments to foreign direct investment (FDI), especially 5 areas as top priority, and 6 key conclusions that promote public-private sector dialogue (Appendix 2);</li> <li>• develop a targeted action plan, such as the Investment Facilitation Action Plan, that enables ABAC to plan, carry out and measure the progress of the Action Plan with a tangible scale.</li> <li>• endorse IEG work and the OECD's PFI as a tool to assess the quality of individual economy's policies;</li> <li>• endorse the convening of further public-private dialogues with interested economies to enhance investment policy frameworks in the region; and</li> <li>• advocate policies aimed at enhancing investment flows by use of the ABAC check-lists presented to APEC Finance Ministers in 2006.</li> </ul>	<p>reporting methodologies, to implement the actions in IFAP. CTI also welcomed inputs from ABAC on what they deemed as potential KPIs that APEC should adopt to measure the effectiveness of IFAP implementation.</p> <p>IEG had worked with ABAC to identify potential joint activities including public-private sector dialogues that would benefit the APEC business community by facilitating trade and investment and addressing structural reform. For 2008, IEG worked with ABAC on the preparation of business statements covering transparency, simplicity and harmonization to improve policies and enhance domestic investment environment. IEG and ABAC also conducted joint training course program, 'Capacity Building to Enhance Investment Flows for APEC Regional Economies' in Melbourne in April and November. The program was aimed at enhancing both domestic and foreign investment flows.</p>
<p><b>Standards:</b></p> <p>ABAC has consistently campaigned for undertakings to achieve harmonisation of standards as a means of facilitating trade agreements. Efforts by ABAC have now secured wide support from regional standards bodies to work towards this goal as well as recognition that capacity building support on standards is required in APEC economies. Recently ABAC has initiated work for the development of a unique and APEC-wide project to provide a framework for standards on management of critical infrastructure in emergencies.</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>• take a major step towards economic integration in the Asia-Pacific by ensuring that our regional businesses face minimal</li> </ul>	<p>SCSC continues to encourage greater alignment of member economies' standards with international standards through Voluntary Action Plans (VAP) and identifying new VAP priority areas.</p> <p>SCSC's Trade Facilitation Task Force has assessed and explored the potential impact of adopting the two European Union regulations: REACH and RoHS and agreed to make joint efforts, through information sharing on best practices, practical solutions, and legislation development, to avoid serious adverse impacts on APEC economies by the EU REACH and RoHS regulations.</p> <p>APEC member economies are encouraged to provide information of contact person(s) for</p>



ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>barriers and costs in complying with standards – and gaining certification of that compliance – anywhere in the region; and that there should be minimal barriers and costs in selling their products and services elsewhere in the world;</p> <ul style="list-style-type: none"> <li>• collaborate among member economies to assist one another and ensure a regional voice in the international development processes given resources constraints and varying stages of economic development among members in standards; and</li> <li>• work with ABAC in the development of an APEC-wide standard to address the need to protect critical infrastructure.</li> </ul>	<p>Codex Alimentarius Commission, World Organization for Animal Health, and the International Plant Protection Convention, in order to enable and facilitate coordination among APEC members at these international organizations. Contact information has been received from 4 member economies.</p> <p>SCSC continued cooperation with the World Wine Trade Group (WWTG). SCSC members agreed in February 2008 to establish a Wine Regulatory Forum (WRF) and encouraged interested member economies to provide contact details of their wine regulators to the WRF. To-date, eight APEC member economies had provided details of their relevant regulators.</p> <p>An APEC Seminar on Food Safety Control System and Risk Analysis was held on 6-8 August 2008 in Cusco, Peru to discuss the WTO SPS principles and international standards in the field of food safety and food risk analysis. The delegates from the government agencies, industries and academia shared their experiences in establishing food legislations based on risk analysis principles and further considered the priorities for capacity building in the area of food safety.</p> <p>SCSC has developed a project to promote the interaction with business in SCSC's activities in APEC member economies. The purpose of this project is to develop practical strategy which will be implemented by APEC member economies in a more systematic and comprehensive manner for promoting interaction with the respective member economy businesses in SCSC's activities for trade facilitation and improvement of product quality and efficiency. A two-day workshop for representative of ABAC, business sectors, SRBs, SCSC member economies and other stake-holders is being planned for SCSC2 in 2009.</p> <p>The Chemical Dialogue finalized and agreed on a path-breaking set of best practice guidelines for chemicals regulations and secured Trade Ministers' approval to present these guidelines as an APEC contribution to the Strategic Approach to International Chemicals Management (SAICM) and the second International Conference on Chemicals Management in May 2008. The Chemical Dialogue's work on the</p>

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
	implementation of the Globally Harmonized System (GHS) for Chemicals Classification and Labeling also was approved by Ministers for presentation to SAICM.
<p><b>Ease of Doing Business: <i>Transparency and Ease of Doing Business</i></b></p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>consider increasing the number of topics on Ease of Doing Business, in order to accelerate the capacity building process, that are covered in the SME workshops each year and that more than one workshop be held each year, so that all relevant topical issues can be addressed as early as practicable.</li> </ul>	<p>IEG is committed to collaborate with the EC and SMEWG on work to examine the EODB indicators.</p> <p>IEG will implement a project on “Doing Business - Investment at the Sub-National Level to Promote Economic Integration”. Phase 1 of this project involves the completion of three case studies at the sub-national level of successful efforts to overcome behind-the-border barriers to investment and will draw on the World Bank’s expertise in using its EODB indicators as a diagnostic tool for improving national performance to the level of better practice of high growth states/provinces.</p> <p>CTI will continue to consult member economies on the possible next steps to take forward the recommendations contained in the 2007 World Bank’s Study on Transparency and Trade Facilitation in the Asia-Pacific: Estimating the Gains from Reform.</p>
<p><b>Ease of Doing Business: <i>Facilitating the Movement of Goods</i></b></p> <p>Facilitating the movement of goods within APEC is of paramount importance to ABAC and the regional business community. We urge accelerated work on the development of an APEC ‘Single Window’, allowing for the single submission of all documentation associated with importing, exporting and transit-related regulatory requirements. In addition, ABAC urges APEC economies to engage with the private sector in the development of trade security initiatives to promote efficient security regimes for the movement of goods in the region.</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>accelerate work on the development of an APEC Single Window preferably by 2012; and</li> <li>work among member economies and with the private sector to establish mutual recognition of Authorized Economic Operators (AEOs) to expedite facilitation of legitimate and low-risk cargo from secure traders.</li> </ul>	<p>SCCP continued to undertake valuable work to improve both security and border controls in the movement of goods.</p> <p>Following the adoption of a Single Window Strategic Plan last year, a new Single Window Working Group (SWWG) Phase 2 was established to advance and deliver the Plan. The SWWG is committed to a broad communication strategy that takes in a diverse range of decoders. One of the key ways the SWWG was seeking to communicate within APEC is through the establishment of the Single Window Group source in the APEC Collaboration System, which will be used to disseminate key working documents.</p> <p>A Workshop on Experience Exchange in the Adoption of Instruments and Standards in Single Window Initiatives was held on 20-22 May in Arequipa. The workshop collated, analyzed and prepared a report relating to experiences of the economies on the adoption of international instruments and standards, and elaborated a questionnaire, which was sent to the economies. So far 16 economies</p>

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
	<p>had completed and returned the questionnaire.</p> <p>SCCP members shared their experiences in researching, developing and implementing Authorized Economic Operators (AEO) programs including their progress and future plans.</p> <p>A Seminar on APEC Framework for Secure Trade was held in Guangzhou, China from 31 March to 4 April 2008 to promote a better understanding of the key principles contained within the APEC Framework for Secure Trade; informing Customs administrations of basic elements needed to enact practices consistent with the Framework; and providing an overview of validating and auditing private security procedures to personnel who will be involved in the supply chain security, which is essential to the Authorized Economic Operator program as described in the Framework.</p>
<p><b>Ease of Doing Business: APEC Business Travel Card</b></p> <p>To support business mobility, ABAC urges the continued expansion of the APEC Business Travel Card (ABTC). ABAC is encouraged by the steps taken during 2007 by the United States and Mexico to participate in the travel scheme, in particular their recognition of the ABTC at all major airports. We urge both economies, along with Canada and Russia to work towards full membership in the ABTC and encourage all participating economies to facilitate the transition program as soon as is practicable.</p> <p>ABAC recommends that APEC:</p> <ul style="list-style-type: none"> <li>- encourage Canada and Russia to join the ABTC Scheme through a three-year transition period to facilitate their full participation;</li> <li>- keep the transition period as short as possible, with three years the maximum;</li> <li>- provide sufficient capacity building to avoid confusion at the border;</li> <li>- publicise changes to ensure widespread awareness among cardholders and to avoid confusion;</li> <li>- retain the core idea of ABAC's two-tier</li> </ul>	<p>Following the admission of Mexico and the United States as "transitional members" of the ABTC scheme in 2007, Canada was admitted as a new transitional member and Mexico became a full member this year.</p> <p>BMG is committed to examine new options to enhance the ABTC Scheme's operation, i.e. the security and capability of the Card. In February, BMG formed two working groups to examine the options for managing the rapid growth of the ABTC scheme and to look at ways to enhance the ABTC, including ABAC's suggestion to look at the viability of enhancing the card with biometrics. At its August meeting, BMG agreed to (i) undertake priority processing of applications to provide faster card issue; and (ii) explore the viability of a biometric ABTC card.</p>

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>model proposal in order to facilitate the transition; and</p> <ul style="list-style-type: none"> <li>- continue to improve the operation of ABTC in participating economies, such as further shortening the processing time for pre-clearance, extending the term of the validity of the card, improving online services, ensuring definite recognition of ABTC at ports, and providing clearly marked ABTC lanes.</li> </ul>	
<p><b>Intellectual Property Rights: <i>Intellectual Property Rights Protection Public Awareness and Patent Application Format</i></b></p> <p>Protection of Intellectual Property Rights (IPR) remains a priority for ABAC in 2007. Strong IPR is needed to foster innovation and attract investment in APEC economies. ABAC has identified public awareness as a major focus and is sponsoring a publication and workshop to highlight best practices in educating the public on the benefits of robust IPR protection. ABAC also recommends work be undertaken by APEC to standardise the patent application formats in the region.</p> <p>ABAC welcomed the strong commitment by APEC in recent years to address these critical issues and to take robust action to protect IPRs. ABAC urges APEC to further the implementation of these initiatives.</p> <p>In 2007, ABAC's consideration of IPR protection has focused on (1) public awareness and (ii) patent application format.</p> <p>ABAC recommends that APEC:</p> <ul style="list-style-type: none"> <li>- support the development and use of a common APEC patent application format in the Patent Offices in member economies;</li> <li>- investigate means to enable the results of prior art searches and patent examinations to be made more easily accessible to all APEC economies;</li> <li>- develop capacity building measures to assist economies that currently have inadequate patent examination resources; and</li> <li>- encourage those economies which are not yet signatories to the Patent</li> </ul>	<p>Individual member economies continued to organize a range of public awareness campaigns to highlight the importance of IPRs. Members have exchanged methodologies and outcomes of some of these campaigns at meetings and through other means with the aim of learning from each other and collaboration aimed at achieving better results of them. IPEG conducted a Seminar on Raising Awareness and Providing Insights on Promoting Appropriate Access to Genetic Resources and Protection of Traditional Knowledge in APEC Economies in Lima on 13–15 August. The seminar promoted members' wider and deeper understanding on the increasingly important and evolving topics of traditional knowledge and genetic resources.</p> <p>IPEG is exploring options intersessionally to address satellite and cable signal theft in the region. Recognizing that this issue relates to both IP enforcement and telecommunications, IPEG members are exploring options with the TELWG and stakeholders, including ABAC, so as to facilitate a thorough understanding and review of the matter with an eye to undertaking concrete steps in 2009.</p> <p>IPEG launched an interactive e-learning program called IP-Xepdite this year to increase awareness and utilization of IP information. This program is accessible by the general public on the internet. In addition, to promote information sharing and usage of valuable resources among members, IPEG has revamped its external website, <a href="http://www.apecipeg-pear.org">http://www.apecipeg-pear.org</a>, which contains a range of existing resources designed to improve awareness and knowledge of IP.</p>

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<p>Cooperation Treaty (PCT) to become so.</p>	<p>IPEG is implementing an APEC IPR Public Education and Awareness Program for SMEs. The program aims to equip APEC Member Economies with the skills and resources to implement public education and awareness campaigns targeting SMEs, which promote the identification, protection, commercialisation and enforcement of IPR in the region. The program involves (i) delivery of a workshop focusing on “Conducting effective IPR campaigns for SMEs”; and (ii) development of an APEC SME IPR Commercialisation and Management Resource. The workshop is scheduled to take place in April 2009 in Melbourne.</p> <p>IPEG continued to oversee the implementation of the Cooperation Initiative on Patent Acquisition Procedures. IPEG is conducting a Survey on Patent Examination Cooperation Practices among APEC economies to identify existing means used by members to exchange examination data or results. This would help pave the way in the long term for greater sharing of patent examination in the region. In addition, IPEG members are working intersessionally on a roadmap that would provide member economies with specific guidance on how to obtain quicker, higher quality patent grants in the APEC region by improving patent examination cooperation and patent examination quality.</p>
<p><b>Information and Communications Technology: <i>ICT-Enabled Growth</i></b></p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>- emphasize the ‘users’ perspective’ in the development of ICT systems, sensor-based computing and radio frequency identification to ensure improved communication infrastructure within the region; and</li> <li>- the APEC Electronic Commerce Steering Group (ECSG) continues to work collaboratively with stakeholders, including ABAC, to implement the ICT-Enabled Growth Initiative.</li> </ul>	<p>ECSG developed an APEC Digital Prosperity Checklist to facilitate ICT use and development as a catalyst for growth and development based on six pillars of the information and digital economy: information flows, infrastructure, innovation, intellectual capital, investment and integration.</p>
<p><b>Information and Communications Technology: <i>Technology Choice Principles</i></b></p> <p>ABAC recommended that APEC:</p>	

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<ul style="list-style-type: none"> <li>- advance the implementation of the Technology Choice Principles by encouraging more APEC economies to participate in the initiative;</li> <li>- conduct a survey of APEC economies on the current status of legal and regulatory regime vis-à-vis the principles; and</li> <li>- conduct a study on the long-term economic growth and innovation benefits of adherence to the principles.</li> </ul>	<p>CTI continued to encourage member economies to participate in the Pathfinder on the APEC Technology Choice Principles. The current number of participating economies remained at 15.</p>
<p><b>Information and Communications Technology: <i>Information Security</i></b></p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>- support strengthened cross border efforts to fighting cybercrime, including cooperative investigation efforts, harmonization of cybercrime laws and exchange of information;</li> <li>- increase capacity building efforts such as the sharing of best practices and the promotion of training with developing economies; and</li> <li>- increase public awareness activities related to information security, including training operators in the proper installation and safe use of software, informing the public of cybercrime threats and promoting compliance with laws and regulations.</li> </ul>	<p>The number of participating economies in the 2007 APEC Data Privacy Pathfinder increased to 16 with the participation of China, the Philippines and Singapore. A Seminar on International Implementation of the APEC Privacy Framework was held in Lima, Peru on 12–13 August 2008. The two day seminar provided an opportunity for capacity building (including a discussion on international experiences on privacy protection) and assisted in developing a broader understanding of the Data Privacy Pathfinder projects. This was followed by an informal one-day workshop to review progress on the development of implementation documents for six of the Pathfinder projects</p>
<p><b>Information and Communications Technology: <i>Information Technology Agreement</i></b></p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>- re-affirm the importance of the ITA;</li> <li>- support efforts at the WTO to maintain the Agreement as more sophisticated and technologically advanced versions of ITA products enter the market place;</li> <li>- encourage economies not meeting their ITA commitment through use of their classification practices to proactively change these practices and eliminated duty-free treatment for ITA-covered products; and</li> </ul>	<p>CTI/MAG affirmed their support towards maintaining the integrity of the Information Technology Agreement (ITA) and developed specific language on this for use by SOMs in a statement released after their meeting in February. Subsequently Ministers Responsible for Trade also reaffirmed the importance of maintaining the integrity of the ITA their meeting on 31 May–1 June.</p>

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<ul style="list-style-type: none"> <li>- support efforts to update the tariff codes provided in the Agreement from the 1996 to February 2007 versions of the Harmonized System.</li> </ul>	
<p><b>Information and Communications Technology: Tariff Elimination for ICT/Electronics and Electrical Products</b></p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>- actively support the successful negotiation of an ICT/ Electronics and Electrical Products sectoral talks under the framework of the WTO Doha Development Agenda's Non-Agricultural Market Access (NAMA) negotiations;</li> <li>- express support that any such sectoral be broad, covering all products of chapters 84, 85 and 90 of the Harmonized System, with limited exceptions or phase-in for sensitive goods;</li> <li>- encourage member economies to actively partake in these negotiations and become participants of any concluded ICT/Electronic and Electrical Products sectoral agreement.</li> </ul>	<p>MAG organized a Workshop on IT/Electronics Industry on 20 February, and discussed possible MAG initiatives on sectoral tariff elimination for electronics/electrical products in NAMA negotiations.</p>
<p><b>Health: Life Sciences Innovation Forum</b></p> <p>ABAC continues to support the LSIF's strategic plan and priority areas for implementation that will help the region address challenges in science innovation and economic development related to public health.</p> <p>ABAC recommended that APEC:</p> <ul style="list-style-type: none"> <li>- Establish a dialogue on health system resource allocations between LSIF experts and health and finance senior officials as an on-going feature of APEC collaboration with other APEC fora;</li> <li>- urge interested APEC economies to engage in consultations with industry and academia to develop public-private partnerships for pilot projects in disease management and wellness, investment in innovation, and scientific exchanges and training;</li> </ul>	<p>LSIF encourages coordination between health, IP, legal and law enforcement officials in national economies to better combat counterfeiting of medical products.</p> <p>LSIF work on health innovations and regulatory procedures will help guide regulatory reform in this sector. LSIF continues to seek a dialogue with APEC health and finance senior officials.</p> <p>LSIF completed a study called for by Ministers in 2007 on the benefits of investment in health innovations which incorporates both health and economic considerations in developing a rigorous cost-benefit analysis for health.</p> <p>At LSIF VI in August, Korea announced the establishment in Seoul of an APEC LSIF Regulatory Harmonization Center for life sciences products to coordinate and provide capacity building for APEC economies.</p>

ABAC 2007 RECOMMENDATION	CTI/SUB-FORA RESPONSE
<ul style="list-style-type: none"> <li>- support an LSIF focus on implementing priority areas of the strategic plan that help address the health and related economic challenges facing the region; and</li> <li>- continue to support LSIF efforts to combat counterfeiting pharmaceuticals and medical devices through public awareness and training initiatives, as this is a major industry concern.</li> </ul>	<p>LSIF has an active program to combat counterfeiting of medical products and thus help assure the safety and efficacy of medical products and the safety and integrity of the medical products supply chain. LSIF recognizes the importance of the protection of intellectual property in the innovation value chain and is developing a module in its study on the benefits of investment in health innovations that will address this issue.</p>



## Proposal for Initiating an Environmental Goods and Services Work Programme Framework

### INTRODUCTION

1. Under the Committee for Trade and Investment (CTI), many projects have been endorsed and implemented to advance APEC's interest in EGS. These include the 2007 and 2008 EGS Workshops and the 2008 trade in Environmental Services project. Other than CTI, there is also significant progress in the Energy Working Group (EWG) to promote energy efficient goods and energy standards.
2. The latest call for work in EGS comes from the APEC Ministers Responsible for Trade (MRT) Ministerial Statement in Arequipa, Peru, where the ministers instructed "*officials to elaborate a work program to advance APEC work on environmental goods and services.*"

### EGS WORK PROGRAMME FRAMEWORK

3. Following the instruction from MRT, an EGS work programme is proposed to advance APEC work on EGS. Our objectives for developing a framework for the work programme are two-fold: The underlying main objective is to support the development of the EGS sector in APEC; the secondary objective is to link up the projects related to EGS in separate APEC working groups under a coherent and holistic framework.
4. This EGS Work Programme framework ("the Framework") uses the basic value-chain of EGS as a framework to holistically address all aspects of EGS. There are four main components to this Framework: R&D, Supply, Trade and Demand.
  - a. **R&D.** For both goods and services, this refers to developing new and better EGS through innovation and R&D which address not only trade in EGS but also environment and development (i.e. rural development, job creation and applied technology). APEC economies can share ideas and best practices on innovation and R&D programmes that spur the development of EGS.
  - b. **Supply.** For goods, this includes the incorporation of cleaner, more resource and energy efficient technologies. For services, this includes the training of skilled personnel. Both entail a need for more focus and investment in the EGS industry. APEC economies can explore ways to facilitate investment in EGS and share best practices in developing the EGS industry sector.
  - c. **Trade.** This component aims to improve trade in EGS through trade facilitation and trade liberalisation. For the former, APEC MAG (Market Access Group)/GOS (Group on Services) can come up with projects that facilitate trade in EGS. For trade liberalisation, this component adheres to the Doha Para 31(iii) mandate. Recognising that the negotiations will be done in the WTO, APEC MAG/GOS can come up with ways to support the negotiations in the WTO.

- d. **Demand.** An increase in demand will create incentive for the market to increase R&D and investment in EGS. APEC economies can look into sharing best practices in public education on EGS and pro-EGS consumer policies, such as measuring and showing the impact of EGS on the environment.
6. A diagrammatic form of this Framework is shown in Figure 1. An improvement in all the components of the Framework will improve the entire EGS sector and naturally lead to greater EGS trade among APEC economies.

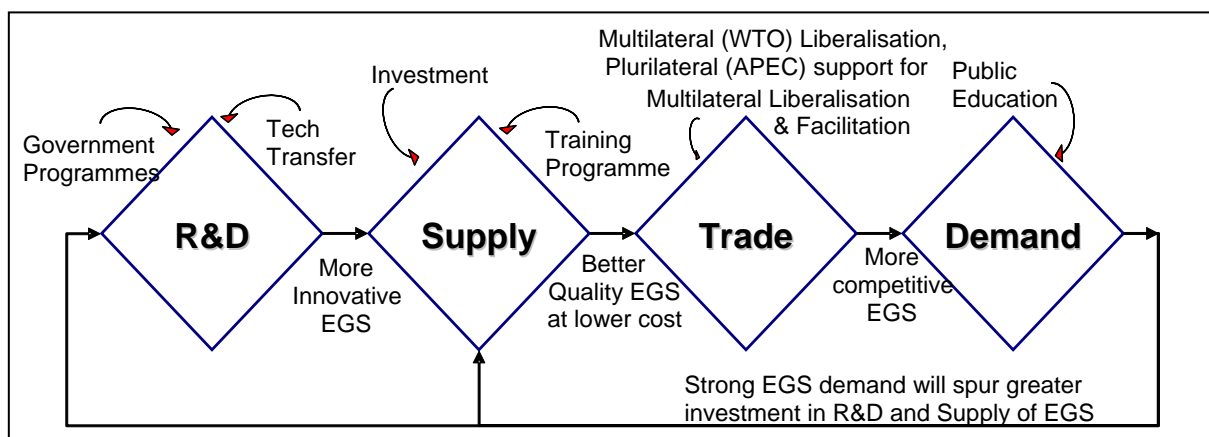


Figure 1: Virtuous Cycle of Success for the EGS Framework

## FITTING THE EGS WORK PROGRAMME FRAMEWORK WITHIN APEC

7. The Framework is designed to be multi-discipline and span across the different committee/working group silos. Projects relating to the 4 components can be identified or proposed to meet the Framework objective. These projects, once endorsed, will become an integral part of the work programme and can come from MAG, IEG (Investment Experts' Group), GOS, SCSC (Subcommittee on Standards and Conformance), EWG or other APEC groups.
8. The CTI will be responsible for maintaining and overseeing the Framework. For non-CTI fora like EWG and ISTWG (Industrial Science and Technology Working Group), progress reports on relevant projects under the Work Programme can be provided to CTI through their respective head Committee for CTI's monitoring purpose.

## THE NEXT STEP

9. If the Framework is adopted, the next step is to operationalise this with projects addressing the four different components. Economies are encouraged to consider existing project proposals, with a view to their early endorsement, and to propose new projects for this purpose. The attached annex, submitted for CTI's further discussion, serves as a living list of possible EGS projects that are either under discussion or awaiting project proposals.

## SUMMARY

10. The proposed Framework is designed to meet the MRT instruction to advance APEC's interest in EGS. Instead of just focusing on any single aspect of EGS, the work programme should address every aspect of EGS sector holistically with a clear main objective of promoting the development of the EGS sector in APEC. The four components of the framework for the work programme, namely R&D, Supply, Trade and Demand, will address the different aspects of the EGS sector value-chain. To develop the EGS sector, we will need to integrate and evaluate the analysis of each component holistically and strengthen the entire value-chain.

### Possible Projects under the EGS Work Programme Framework

Submitted by Singapore  
For CTI Discussion

S/N	Work Programme Component	Description of Initiative	Proponent	APEC Forum	Status
1	R&D, Supply, Trade, Demand	An EGS reference database for economies to voluntarily contribute and exchange information on EGS	US, Canada, New Zealand	MAG	Under discussion
2	Trade	Workshop on Environmental Goods and Services	Japan	MAG	Under discussion
3	R&D, Trade	Survey on the major impediments to development and trade in EGS	Australia	MAG	Details work-in-progress
4	Trade	Sharing of information on domestic and international policy developments affecting trade in EGS	Australia	MAG	Details work-in-progress
5	R&D, Supply, Trade, Demand	Literature review of reports on EGS	Australia	CTI	Details work-in-progress
6					
7					

## APEC Model Measures for RTAs/FTAs

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\* submitted by ABAC

## 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.

## Safeguards

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

*List broadly the main considerations informing this chapter:*

- meets the APEC goals and principles relating to RTAs/FTAs in promoting the Bogor goal of free and open trade
- is either WTO-consistent or WTO-plus.

### ***Global safeguards***

*Lists the options in respect of the treatment of safeguards*

The parties are to adopt one of the following options for the treatment of safeguards

- reaffirm their rights pursuant to Article XIX of the GATT and the WTO Agreement on Safeguards; or
- tighten conditions under which safeguard measures may be invoked against each other, or
- agree that a Party when taking any measure pursuant to Article XIX of GATT and the Safeguards Agreement may exclude imports of an originating good from the other Party from the action if such imports are non-injurious<sup>1</sup>.

### ***Bilateral transitional safeguard measures***

*Sets out the conditions under which a bilateral safeguard action may be initiated*

- when originating goods are imported in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that the imports of such originating good from the other party constitute a substantial cause of serious injury or threat thereof to a domestic industry producing a like or directly competitive good
- such increased quantities must be as a result of the reduction or elimination of a customs duty under the FTA

*Sets out measures to be applied*

- a suspension of further reduction of the customs duty applicable; or
- an increase in the rate of the customs duty applicable, to a level not exceeding the MFN applied rate at the time the action is taken or at the day immediately preceding the date of entry into force of the FTA, whichever is the lower
- no quantitative restrictions should be imposed

*Sets out pre-conditions before bilateral safeguard action can be imposed*

- may agree on a mechanism for prior notification and consultation
- imposed only pursuant to investigations following strict rules of procedure, which may be adopted from relevant provisions of the WTO Agreement on Safeguards

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<sup>1</sup> In this case parties should refer to the principle of parallelism.

- allow for limitation of the period of investigation
- may agree that such action should not be taken against any particular good originating in the territory of the other party more than once during the transition period or provide for an agreed interval before the parties may initiate another measure

*Sets out duration and period in which a safeguard measure can be imposed*

- applied only to the extent and for such period of time as necessary to prevent or remedy serious injury and to facilitate adjustment
- a measure that is in force for more than a year should be progressively liberalized at regular intervals during the period of application.;

*Sets out situation when a safeguard measure is terminated*

- on the termination of a safeguard measure, the rate of duty immediately is the rate which would have been in effect under the FTA but for the measure

*Sets out consequences of imposing a bilateral transitional safeguard measure*

*Compensation*

- the party taking the measure provides the affected party mutually agreed trade-liberalizing compensation in the form of concessions
  - o equivalent to the value of the additional duties expected to result from the measure; or
  - o having substantially equivalent trade effects
- if there is no agreement on compensation, the affected party may take action having trade effects substantially equivalent to the measure imposed.



## Competition Policy

### Objectives

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

- recognise the importance of creating and maintaining open and competitive markets to promote economic efficiency and consumer welfare;
- affirm the desire to promote competition in a manner that protects the competitive process rather than competitors; and
- seek to ensure that the benefits of trade liberalisation are not undermined by anticompetitive practices and recognises the importance of cooperation and coordination on competition policy matters.

### **Competition Policy and Law and Anticompetitive Business Conduct**

*Sets out commitments on competition policy and law and anti-competitive business conduct. Such commitments might include:*

- promotion of competition by addressing anti-competitive business conduct subject to the Party's jurisdiction, and by enacting laws and establishing institutions for the adoption, maintenance and enforcement of measures, as deemed appropriate by the Party;
- to the extent that such measures are in place,<sup>2</sup> they should seek to promote the objectives of the *APEC Principles to Enhance Competition and Regulatory Reform*;
- a Party may also provide for certain procedural rights.

### Cooperation

*a) Provides for cooperation in the implementation of competition law and policy. This section :*

- Would recognise the importance of cooperation to promote competition, economic efficiency and consumer welfare;
- Might include cooperation arrangements on issues of competition law enforcement and policy, providing, for example, for the exchange of public information, notification and consultation, as appropriate.

*b) Sets out technical cooperation activities for capacity building related to the implementation of competition policy and law, such as:*

- exchange of experience regarding the promotion and enforcement of competition law and policy;

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<sup>2</sup> APEC members are at various stages of developing formal competition policies. Some members have adopted competition laws and enforcement mechanisms and use these as the basis for their FTA commitments. In other cases a competition law is not in place. Given this diversity, these model measures for competition contain some general principles which can be incorporated in RTAs/FTAs, recognising that specific agreements will reflect the actual situation in the respective parties.

- exchange of information about competition law and policy;
- exchange of officials for training purposes; and
- participation and exchange of officials and other experts as lecturers/consultants/participants at training courses on competition law and policy.

### **Consultation**

*Sets out the arrangements for consultation in implementing the Competition Chapter. This section:*

- Provides for consultations to foster understanding between the Parties or to address specific matters that arise under this Chapter. Such consultations may occur especially when such matters affect the interests of the other party;
- States that when a request for consultations is made, a response will be provided within a reasonable time frame and that the Party receiving the request will accord full and sympathetic consideration to the concerns identified in the request, in compliance with domestic legal requirements.

### **Dispute settlement**

*Sets out which provisions in the Chapter will be subject to dispute settlement. Possible approaches include:*

Either

- No provisions are subject to the Agreement's dispute settlement mechanism;

Or

- A limited set of provisions is subject to the Agreement's dispute settlement mechanism in that:
  - o Certain provisions, including any provisions regarding competition policy, the adoption, maintenance and enforcement of a domestic competition law, and cooperation and consultation between/among the Parties, are *not* subject to the Agreement's dispute settlement mechanism.

Parties may choose to include specific commitments that prevent designated monopolies and state enterprises from discriminatory conduct. Such provisions are not related to the adoption, maintenance or enforcement of competition law and may be subject to the agreement's dispute settlement mechanism, as appropriate.

## Environment

### 1. Objectives

- promote mutual supportiveness of trade and environment;
- encourage sound environment policies and practices and improve the capacities and capabilities of the Parties, including non-government sectors, to address environmental matters;

### 2. Principles and Commitments:

- reaffirm each Party's sovereign right over its natural resources and reiterate the sovereign right of each of them to set, administer and enforce their own environmental laws, regulations and policies according to their priorities.
- recognize the importance of each Party effectively enforcing its environmental laws and regulations, and that such laws and regulations include fair, equitable and transparent mechanisms of public participation.
- reaffirm the Parties' intention to continue to pursue high levels of environmental protection consistent with their domestic laws, regulations and policies.
- recognize that MEAs to which both Parties are party play an important role globally and domestically in protecting the environment; and that their respective implementation of these agreements is critical to achieving the environmental objectives thereof.
- agree that it is inappropriate to set or use environmental laws, regulations, policies and practices for trade protectionist purposes.
- agree that it is inappropriate to relax, or fail to enforce or administer environment laws and regulations to encourage trade and investment.
- encourage trade of environmental goods and services.
- promote public awareness of each Party's environmental laws, regulations, policies and practices domestically and promote environmental consciousness and education.

### 3. Cooperation:

*Sets out a framework to support the Parties' co-operation and capacity building efforts in this area.*

- Taking account of national priorities and available human and financial resources, cooperate on mutually agreed environmental issues of common global or domestic concern, through the interaction of government, business sector, educational, research and other non-governmental institutions in each Party.
- include work in the fields of activity determined by the Parties during the negotiating process.

- decide funding of cooperative activities on a case-by-case basis.
- invite the participation of each Party's non-governmental sectors and other organizations in identifying potential areas for cooperation and in undertaking cooperative activities as mutually agreed.
- encourage and facilitate, as appropriate, the following activities:
  - o support for joint programs and environmental technological and practical demonstrations, including projects, research studies and reports;
  - o exchange of professionals, technicians and specialists;
  - o facilitation of linkages among representatives from, inter alia, government, academia, and business sector;
  - o organization of joint conferences, seminars, workshops, meetings, training sessions, and outreach and educational programs;
  - o exchange of technical information, publications and regulations;
  - o exchange of information and consultation on national environmental programs;
  - o sharing approaches and experiences with respect to environmental institutions, regulations and enforcement;
  - o enhance cooperation on raising public awareness of environmental conservation and participation in environmental protection; and
  - o any other modes of cooperation agreed upon by the Parties.
- evaluate the effectiveness of cooperative activities prior to determining future cooperation.

#### **4. Institutional Arrangements:**

Sets out the institutional framework to facilitate implementation of the Environment Chapter

- designate a Contact Point and/or an Environment Committee to facilitate communications on matters arising under the Environment chapter, which should:
  - o meet and communicate on a regular basis as mutually agreed.
  - o be responsible for: co-ordinating the implementation of the Environment Chapter; serving as a forum for dialogue on environment-related matters of mutual interest; considering areas of potential cooperative activities; monitoring the progress of work programs and other joint activities.
  - o as appropriate, report to the *appropriate body* of the RTA/FTA each time the *appropriate body* meets. *[This suggestion depends upon the institutional model adopted]*
- consult with members of its public and/or non-governmental sectors on matters relating to the operation of this Chapter, where necessary.

- develop mechanisms, where necessary, to inform its public of activities undertaken pursuant to this Chapter in accordance with its laws, regulations, policies and practices.

**5. Consultations:**

- with all possible means endeavor to agree on the interpretation and application of the Environment Chapter.
- endeavor to resolve, amicably and in good faith, through dialogue, consultation and cooperation, any issue that might arise between the Parties concerning the application and implementation of the Chapter.

## Temporary Entry for Business Persons

The purpose of this model measure is to provide non-binding guidance in the context of a comprehensive bilateral or regional free trade agreement in the following:

- I. Measures to facilitate and enhance temporary entry for business persons  
(Note: These measures are not intended to address permanent immigration and employment-related matters.)
- II. Understanding of common categories of business persons

### I) MEASURES TO FACILITATE THE TEMPORARY ENTRY FOR BUSINESS PERSONS

#### Grant of Temporary Entry

- an agreement may require each party to grant temporary entry to business persons in the categories listed in the attached Annex who comply with general immigration measures applicable to temporary entry including public health and safety and national security.
- a party may refuse to issue a work permit or other similar immigration document authorizing employment to a business person where the temporary entry of that person might adversely affect labour disputes in progress at the place or intended place of employment or the employment of any person involved in a labour dispute.<sup>3</sup>
- each party limits any fees for processing applications for temporary entry of business persons to the approximate cost of services rendered, consistent with the principle of reciprocity.
- no provision shall impose any obligation on a Party regarding its general immigration measures.
- a party may require a business person seeking temporary entry under this Section to obtain an entry visa or an equivalent requirement prior to entry and to comply with other immigration measures applicable to temporary entry.
- a party may only apply labour market tests, economic needs tests or other prior approval procedures of similar effect and numerical restriction as required to maintain policy flexibility to achieve domestic policy objectives. The introduction of such tests and procedures is subject to negotiation between the parties, taking into account the domestic policy objectives and labour market situation of each party. (Note: This provision applies only to the categories of business persons included in the Annex.)

#### Provision of Information

- each party makes available through electronic means or otherwise, information on its measures relating to this Chapter, such as explanatory material, to assist

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<sup>3</sup> A labour dispute is defined as a conflict or controversy between a union and employer relating to terms and conditions of employment.

business persons with their understanding of the measures, including information such as the length of stay permissible for business persons allowed temporary entry and references to applicable laws and regulations.

- each party collects and maintains, and, on request, makes available to the other party in accordance with its domestic law, data respecting the granting of temporary entry under this Chapter to business persons of the other party who have been issued an immigration document authorizing employment.

### **Contact Points**

- the parties establish Contact Points;
- the Contact Points meet as required, either on a bilateral or plurilateral basis, to exchange information and to consider matters pertaining to this Chapter, such as:
  - (a) implementation and administration such as the development and adoption of common criteria, definitions and interpretations;
  - (b) development of measures to further facilitate temporary entry of business persons; and
  - (c) proposed modifications.

### **Dispute Settlement**

- a party may not initiate proceedings under the general dispute settlement provisions of an agreement regarding a refusal to grant temporary entry under its temporary entry chapter unless it involves a pattern of practice and normal or domestic remedies have been exhausted.

### **Relation to Other Chapters**

- nothing in this chapter will be construed to impose obligations or commitments with respect to the other chapters of the agreement.
- unless specified, other chapters of the agreement will not be construed to impose obligations or commitments on this Chapter. Some examples of chapters which may specify obligations to this Chapter include General Definitions, Transparency and Objectives.

### **Definitions**

- definitions are expressed in clear language to minimise misunderstandings and would accommodate the regulatory regimes of parties involved.

## II) ANNEX OF COMMON CATEGORIES OF BUSINESS PERSONS<sup>4</sup>

### Section A - Business Visitors

- a temporary entry chapter may provide for each party to grant short term temporary entry to a business person seeking to engage in business activities in accordance with an agreed definition by parties without requiring that person to obtain a work permit or authorization. Appendix A.1 sets out an illustrative list of what these activities could entail.
- a business visitor should not be seeking to enter the labour market and his/her activities should be international in scope (i.e. the primary source of remuneration for the proposed business activity is outside the territory of the party granting temporary entry; and the business person's principal place of business domicile and the actual place of accrual of profits, at least predominantly, remain outside such territory.).

### Section B - Intra-Company Transferees

- a temporary entry chapter may provide for each party to grant temporary entry and provides a work permit or authorization to a business person employed by an enterprise who seeks to render services to that enterprise or a subsidiary or affiliate thereof as an executive or manager, or a specialist.

Executives, Managers and Specialists are defined as follows:

#### Executives

- o Executives are those who primarily direct the management of the organization and exercise wide latitude in decision making, and receive only general supervision or direction from higher-level executives, the board of directors or stockholders of business. Executives would not directly perform tasks related to the actual provision of services of the organization.

#### Managers

- o Managers are those who primarily direct the organization/department/subdivision and exercise supervisory and control function over other supervisory, managerial or professional staff, have the authority to hire and fire or recommend hiring, firing or other personnel actions (such as promotion or leave authorization), and exercise discretionary authority over day-to-day operations.

#### Specialists

- o Specialists are those who possess knowledge at an advanced level of expertise essential to the establishment/provision of the service and/or possess proprietary knowledge of the organization's product, service, research equipment, techniques or management.

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<sup>4</sup> During negotiations, it is up to the Parties to establish the requirements for each category in the Annex.



### **Section C - Professionals<sup>5</sup>**

- a temporary entry chapter may provide for each party to grant temporary entry and issue a work permit or authorization to a business person who is entering to perform pre-arranged business activities at a professional level in adherence to Appendix C.1, and who has a pre-arranged professional services contract in the field for which they have the appropriate qualifications.

### **Section D - Other Categories**

Any other category that Parties may wish to include not covered by any of the three categories described above. Further, parties could also include types of service suppliers specific to a sub-sector(s) which could be included in the sector specific commitments.

The categories listed below are for illustrative purposes only, meant to give examples of the types of categories which could be included in an agreement, subject to negotiation. Parties are free to negotiate other categories of interest to them.

#### Traders

- a temporary entry chapter may provide for each party to grant temporary entry and provides a work permit or authorization to a business person seeking to carry on substantial trade in goods or services principally between the parties in a capacity that is supervisory, executive or involves essential skills.

#### Investors

- a temporary entry chapter may provide for each party to grant temporary entry and provides a work permit or authorization to a business person seeking to establish the operation of an investment to which the business person or the business person's is or will be investing a substantial amount of capital, in a capacity that is supervisory, executive or involves essential skills.

#### Installers and servicers<sup>6</sup>

- a temporary entry chapter may provide for each party to grant temporary entry and provides a work permit or authorization to a business person of a party who is an installer or servicer of machinery and/or equipment, where such installation and/or servicing by the supplying company is a condition of the purchase of the machinery or equipment. An installer or servicer cannot perform services which are not related to the service activity which is the subject of the contract.

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<sup>5</sup> The term 'professionals' could include some skilled or highly skilled technicians, and could take the form of CSS (Contract Service Suppliers) (employees of a juridical person) and/or IP (Independent Professionals). During negotiations, it is up to the Parties themselves to determine the levels of qualification and any alternative credential recognition for specific types of professionals.

<sup>6</sup> The coverage of the category "Installers and servicers" may be specified by the Parties.

## **Appendix A.1 - Business Visitors**

This Appendix is to be considered as a reference only, meant to provide an illustrative list of the types of activities that may be included under the business visitor category. The categories listed below are not intended to pre-judge or exclude any categories in an actual agreement. The specific categories of business visitors and the definitions will be subject to negotiation by Parties in accordance with their internal immigration regulatory regimes.

### **Meetings and Consultations**

Business persons attending meetings, seminars or conferences; or engaged in consultations with business associates.

### **Research and Design**

Technical, scientific and statistical researchers conducting independent research or research for an enterprise located in the territory of the other Party.

### **Growth, Manufacture and Production**

Purchasing and production management personnel conducting commercial transactions for an enterprise located in the territory of the other Party.

### **Marketing**

Market researchers and analysts conducting independent research or analysis or research or analysis for an enterprise located in the territory of the other Party.

Trade-fair and promotional personnel attending a trade convention.

### **Sales**

Sales representatives and agents taking orders or negotiating contracts for goods or services for an enterprise located in the territory of the other Party but not delivering goods or providing services.

Buyers purchasing for an enterprise located in the territory of the other Party.

### **Distribution**

Transportation operators transporting goods or passengers to the territory of a Party from the territory of the other Party or loading and transporting goods or passengers from the territory of a Party, with no unloading in that territory, to the territory of the other Party.

Customs brokers providing consulting services regarding the facilitation of the import or export of goods.

### **After-Sales or After-Lease Service**

Installers, repair and maintenance personnel, and supervisors, possessing specialized knowledge essential to a seller's contractual obligation, performing services or training workers to perform services, pursuant to a warranty or other service contract incidental

to the sale or lease of commercial or industrial equipment or machinery, including computer software, purchased or leased from an enterprise located outside the territory of the Party into which temporary entry is sought, during the life of the warranty or service agreement.

**General Service**

Professionals engaging in a business activity at a professional level.

Management and supervisory personnel engaging in a commercial transaction for an enterprise located in the territory of the other Party.

Financial services personnel (insurers, bankers or investment brokers) engaging in commercial transactions for an enterprise located in the territory of the other Party.

Public relations and advertising personnel consulting with business associates, or attending or participating in conventions.

Tourism personnel (tour and travel agents, tour guides or tour operators) attending or participating in conventions or conducting a tour that has begun in the territory of the other Party.

Translators or interpreters performing services as employees of an enterprise located in the territory of another Party.

Visiting business establishments or other similar activities, including participating in business meetings.

Entering with a purpose to establish a commercial presence in that Party in the territory of the other Party.

**Appendix C.1 - Professionals**

Coverage of Professionals in the agreement is subject to negotiation by the Parties to the agreement. Negotiations could result in a variety of different approaches such as a positive or negative listing of professionals, reference to a dynamic list of occupations, sectoral coverage or an illustrative list. This appendix can also be used to set out the relevant qualifications.

## Customs Administration and Trade Facilitation

### ARTICLE ONE: GENERAL APPLICATION

Each Party shall only establish or apply formalities on or in connection with importation or exportation if those formalities or their application are not arbitrary, unjustifiable or disguised restrictions on trade. The measures below are relevant to both imports and exports.

### ARTICLE TWO: PUBLICATION

1. Each Party shall publish, including on the Internet, its customs laws, regulations, and general administrative procedures.
2. Each Party shall designate or maintain one or more inquiry points to address inquiries by interested persons concerning customs matters and shall make available on the Internet information concerning the procedures for making such inquiries.
3. Each Party shall make best endeavors to publish in advance any regulations of general application governing customs matters that it proposes to adopt and provide interested persons the opportunity to comment prior to their adoption.

### ARTICLE THREE: RELEASE OF GOODS

1. Each Party shall adopt or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade between the Parties.
2. Pursuant to paragraph 1, each Party shall ensure that its customs authority or other competent authority shall adopt or maintain procedures that:
  - (a) provide for the release of goods within a period no greater than that required to ensure compliance with its customs laws, and to the extent possible release the goods within 48 hours of arrival;
  - (b) provide for advance electronic submission and processing of information before physical arrival of goods to enable the release of goods on arrival;
  - (c) allow goods to be released at the point of arrival, without temporary transfer to warehouses or other facilities; and
  - (d) allow importers to withdraw goods from customs before and without prejudice to the final determination by its customs authority of the applicable customs duties, taxes, and fees<sup>7</sup>.

### ARTICLE FOUR: AUTOMATION

Each Party shall use information technology that expedites procedures for the release of goods and shall:

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<sup>7</sup> A Party may require an importer to provide sufficient guarantee in the form of a surety, a deposit, or some other appropriate instrument, covering the ultimate payment of the customs duties, taxes, fees in connection with the importation of the good.

- (a) make electronic systems accessible to customs users;
- (b) endeavor to use international standards;
- (c) endeavor to develop compatible electronic systems between the Parties' customs authorities, to facilitate government-to-government exchange of international trade data; and
- (d) endeavor to develop a set of common data elements and processes in accordance with World Customs Organization (WCO) Customs Data Model, and related WCO recommendations and guidelines.

#### **ARTICLE FIVE: RISK MANAGEMENT**

Each Party shall adopt or maintain electronic or automated risk management systems for risk analysis and targeting that enable its customs authority to focus its activities on high-risk goods and that simplify the clearance and movement of low-risk goods.

#### **ARTICLE SIX: COOPERATION**

1. With a view to facilitating the effective operation of this Model Measure, each Party shall endeavor to provide the other Party with advance notice of any significant modification of administrative policy or other similar development related to its laws or regulations governing importations that is likely to substantially affect the operation of this Model Measure.
2. The Parties shall cooperate in achieving compliance with their respective laws and regulations pertaining to:
  - (a) the implementation and operation of the provisions of this Model Measure governing importations or exportations, including claims for preferential tariff treatment, the procedures for making claims for preferential tariff treatment, and the procedures for verification;
  - (b) the implementation and operation of the Customs Valuation Agreement;
  - (c) restrictions or prohibitions on imports or exports; and
  - (d) other customs matters as the Parties may agree.
3. Where a Party has a reasonable suspicion of unlawful activity related to its laws or regulations governing importations, the Party may request that the other Party provide specific confidential information normally collected in connection with the importation of goods.
4. A Party's request under paragraph 3 shall be in writing, shall specify the purpose for which the information is sought, and shall identify the requested information with sufficient specificity for the other Party to locate and provide the information.
5. The Party from whom the information is requested shall, in accordance with its law and any relevant international agreements to which it is a party, provide a written response containing such information.

6. For purposes of paragraph 3, “a reasonable suspicion of unlawful activity” means a suspicion based on relevant factual information obtained from public or private sources comprising one or more of the following:
  - (a) historical evidence of non-compliance with laws or regulations governing importations by an importer or exporter;
  - (b) historical evidence of non-compliance with laws or regulations governing importations by a manufacturer, producer, or other person involved in the movement of goods from the territory of one Party to the territory of the other Party;
  - (c) historical evidence that some or all of the persons involved in the movement from the territory of one Party to the territory of the other Party of goods within a specific product sector have not complied with a Party’s laws or regulations governing importations; or
  - (d) other information that the requesting Party and the Party from whom the information is requested agree is sufficient in the context of a particular request.
7. Each Party shall endeavor to provide the other Party with any other information that would assist that Party in determining whether imports from or exports to that Party are in compliance with the other Party’s laws or regulations governing importations, in particular those related to unlawful activities including, the prevention of smuggling and similar infractions.
8. For purposes of facilitating trade between the Parties, each Party shall endeavor within the limits of its technical capability and resources, to provide the other Party with technical advice and assistance for the purpose of improving risk assessment and risk management techniques, facilitating the implementation of international supply chain standards, simplifying and expediting customs procedures for the timely and efficient clearance of goods, advancing the technical skill of personnel, and enhancing the use of technologies that can lead to improved compliance with regard to a Party’s laws or regulations governing importations.
9. The Parties shall endeavor to conduct joint training programs, including the exchange of information on customs laboratory techniques.
10. The Parties shall endeavor to cooperate to enhance each Party’s ability to enforce its regulations governing importations. The Parties shall further endeavor to establish and maintain other channels of communication, including the establishment of contact points, to facilitate the secure and rapid exchange of information, and the need to improve coordination on importation issues.

## **ARTICLE SEVEN: CONFIDENTIALITY**

1. Where a Party, providing information to the other Party in accordance with this Chapter designates the information as confidential, the other Party shall maintain the confidentiality of the information. The Party providing the information may require a written assurance by the other Party that the information will be held in confidence, will be used only for the purposes specified in the other Party’s request for information, and will not be disclosed without the specific permission of the

person or Party that provided the information. Each Party may use or disclose the information for law enforcement purposes or in the context of judicial proceedings.

2. A Party may decline to provide further information requested by another Party where that Party has previously failed to act in conformity with paragraph 1.
3. Each Party shall adopt or maintain procedures in which confidential information, including information the disclosure of which could prejudice the competitive position of the person providing the information, submitted in accordance with the administration of the Party's customs laws, shall be protected from unauthorized disclosure.

#### **ARTICLE EIGHT: EXPRESS SHIPMENTS**

Each Party shall adopt or maintain expedited customs procedures for express shipments while maintaining appropriate customs control and selection. These procedures shall:

- (a) provide a separate and expedited customs procedure for express shipment;
- (b) provide for the electronic submission and processing of information necessary for the release of an express shipment before the express shipment arrives;
- (c) allow submission of a single manifest covering all goods contained in a shipment transported by an express shipment service, through, if possible, electronic means;
- (d) to the extent possible, provide for clearance of certain goods with a minimum of documentation;
- (e) under normal circumstances, provide for clearance of express shipments within four hours after submission of the necessary customs documents, provided the shipment has arrived;
- (f) apply without regard to weight or customs value; and
- (g) under normal circumstances, provide that no customs duties or taxes will be assessed on, nor will formal entry documents be required for express shipments valued at US\$200 or less<sup>8</sup>.

#### **ARTICLE NINE: REVIEW AND APPEAL**

Each Party shall ensure that with respect to its determinations on customs matters, importers in its territory have access to:

- (a) an administrative review procedure independent of the agencies entrusted with administrative enforcement; and

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<sup>8</sup> Notwithstanding Article Eight(g), a Party may require that express shipments be accompanied by an airway bill or other bill of lading. For greater certainty, a Party may assess customs duties or taxes and may require formal entry documents for restricted goods.



- (b) judicial review of the determinations.

For greater certainty, each Party shall provide that the producer or exporter may provide information directly to the Party conducting the review. The exporter or producer providing the information may ask the Party conducting the review to treat that information as confidential in accordance with Article 7.3.

#### **ARTICLE TEN: PENALTIES**

Each Party shall adopt or maintain measures that allow for the imposition of civil or administrative penalties and, where appropriate, criminal sanctions for violations of its customs laws and regulations, including those governing tariff classification, customs valuation, country of origin, and claims for preferential treatment under this Agreement.

#### **ARTICLE ELEVEN: ADVANCE RULINGS**

1. Each Party shall issue, through its customs authorities, prior to the importation of a good into its territory, a written advance ruling at the written request of an importer in its territory, or an exporter or producer in the territory of the other Party<sup>9</sup> with regard to:
  - (a) tariff classification; and
  - (b) such other matters as the Parties may agree.
2. Each Party shall issue an advance ruling within 90 days after a request, provided that the requester has submitted all information that the Party requires, including, if the Party requests, a sample of the good for which the requester is seeking an advance ruling. In issuing an advance ruling, the Party shall take into account facts and circumstances the requester has provided. For greater certainty, a Party may decline to issue an advance ruling if the facts and circumstances forming the basis of the advance ruling are the subject of administrative or judicial review. A Party, that pursuant to this paragraph, declines to issue an advance ruling shall promptly notify the requester in writing, setting forth the relevant facts and the basis for its decision to decline to issue the advance ruling.
3. Each Party shall provide that advance rulings shall be in force from their date of issuance, or another date specified in the ruling, provided that the facts or circumstances on which the ruling is based remain unchanged.
4. The issuing Party may modify or revoke an advance ruling after the Party notifies the requester. The issuing Party may modify or revoke a ruling retroactively only if the ruling was based on inaccurate or false information.
5. Each Party shall ensure that the requester has access to administrative review of the advance ruling.
6. Subject to any confidentiality requirements in its laws, each Party shall publish, including on the Internet, its advance rulings.

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<sup>9</sup> For greater certainty, an importer, exporter or producer may submit a request for an advance ruling through a duly authorized representative.

7. If a requester provides false information or omits relevant facts or circumstances relating to the advance ruling, or does not act in accordance with the ruling's terms and conditions, the importing Party may apply appropriate measures, including civil, criminal, and administrative actions, monetary penalties, or other sanctions.

## Electronic Commerce

### **General considerations**

*Outlines the broad reasons for including provisions on electronic commerce in the RTA/FTA*

- recognises the economic growth and opportunity that electronic commerce provides
- recognises the importance of avoiding barriers to the use and development of electronic commerce.
- recognises that the aim of the electronic commerce provisions is to promote e-commerce between the Parties and globally.

### **WTO applicability**

*Recognizes the applicability of the WTO Agreement to measures affecting electronic commerce*

- recognises the applicability of WTO rules to measures affecting electronic commerce.

### **Electronic supply of services**

*Describes the ambit of the obligations affecting the supply of a service delivered or performed electronically*

- affirms obligations in the chapters on cross-border trade in services, investment and financial services, subject to any exceptions and non-conforming measures in the agreement that are applicable to such obligations, apply to measures affecting the supply of a service delivered or performed electronically.

### **Customs duties**

*Sets out disciplines on the imposition of customs duties*

- provides a basis for duty-free treatment for digital products transmitted electronically.

### **Non-discriminatory treatment of digital products**

Non-discriminatory treatment of digital products of another party vis-à-vis like digital products of the party or of a non-party.

- each party provides treatment no less favourable to digital products associated with another party than it provides its like digital products, on the basis of factors specified in this chapter (such as whether the author is a person of the other party, whether the product is transmitted from the territory of the other party, etc.)
- each party provides treatment no less favourable to digital products associated with another party than it provides like digital products associated with a non-party, on the basis of factors specified in this chapter (such as whether the author is a person of a party, whether the product is transmitted from the territory of a party, etc.).

### ***Electronic authentication and digital certificates***

*Encourages flexibility for parties to electronic transactions to determine the authentication method for their electronic transactions, for example*

- the parties may agree not to adopt or maintain legislation that would prohibit parties to an electronic transaction from determining the appropriate authentication methods for their electronic transaction
- the parties may work towards recognition at the central government level of digital certificates issued by another Party or under authorization of that Party
- the parties may agree not to adopt or maintain legislation that would prevent parties to electronic transactions from having the opportunity to prove that their electronic transactions comply with any legal requirements with respect to authentication.

### ***On-line consumer protection***

*Encourages consumer protection measures for electronic commerce*

- recognises the importance of adopting and maintaining transparent and effective consumer protection measures for electronic commerce as well as measures conducive to generating trust among consumers.
- recognises the importance of cooperation among national consumer protection agencies on activities related to cross-border electronic commerce in order to enhance consumer protection.

### ***Paperless trade administration***

*Encourages the use of electronic forms of trade administration documents*

- the parties endeavour to make all trade administration documents available to the public in electronic form
- the parties endeavour to accept trade administration documents submitted electronically as the legal equivalent of the paper documents.
- the parties endeavour to participate in bilateral and international cooperation with a view to enhancing acceptance of electronic trading documentation.
- the parties endeavour to consider relevant international standards, where appropriate, for data collection systems when developing paperless trading administrative systems.

### ***Transparency***

*Sets out the obligations concerning transparency of laws, regulations, and other measures of general application pertaining to electronic commerce*

- the parties publish promptly or otherwise make publicly available their laws, regulations, and other measures of general application that pertain to electronic commerce and, where possible, in the English language as well.
- each party endeavours to provide specific information requested by the other party on any of its measures of general application within the meaning of paragraph 1.

### **Domestic regulatory frameworks**

*Encourages the development and maintenance of domestic regulatory frameworks that minimise the regulatory burden on electronic commerce.*

- the parties endeavour to adopt or maintain a domestic legal framework for electronic commerce that is based on the UNCITRAL Model Law on E-commerce 1996
- the parties endeavour to minimise the regulatory burden on electronic commerce
- the parties endeavour to ensure that regulatory frameworks support industry-led development of electronic commerce.

### **Online data protection**

*Encourage Parties to protect the personal data of electronic commerce users.*

- the parties endeavour to adopt or maintain measures to protect the personal data of electronic commerce users, and to take international standards and criteria into account in developing such measures.

### **Cooperation**

*Sets out the possible areas of cooperation between Parties in policy areas related to electronic commerce, such as:*

- working together to overcome obstacles encountered by small and medium enterprises in using electronic commerce
- sharing information and experiences on laws, regulations, and programs in the sphere of electronic commerce, including those related to data privacy, consumer confidence in electronic commerce, cyber-security, electronic signatures, intellectual property rights, and electronic government
- working to maintain cross-border flows of information as an essential element in fostering a vibrant environment for electronic commerce
- encouraging the private sector to adopt self-regulation, including through codes of conduct, model contracts, guidelines, and enforcement mechanisms that foster electronic commerce
- participating actively in bilateral, regional and multilateral fora to promote the development of electronic commerce.
- endeavouring to cooperate on the development of relevant infrastructure.

### **Definitions**

*Sets out the definitions applicable to the chapter on electronic commerce.*

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

## Rules of Origin and Origin Procedures

Economies are encouraged to refer to the 2005 APEC Model Measures for Trade Facilitation in RTAs/FTAs when reviewing the model measures below.

### ***Criteria for originating goods***

*Sets out the criteria for determining whether a good imported from another party qualifies for preferential market access*

- wholly obtained or produced entirely in the territory of the parties;
- produced entirely in the territory of the Parties from originating materials; or
- produced entirely in the territory of the parties, provided each non-originating material undergoes an applicable change in tariff classification or the good satisfies an applicable value content requirement, undergoes a specified manufacturing or processing operation, or meets other requirement specified in the Annex of product-specific rules

and meets all other applicable requirements related to originating criteria in the chapter.

### ***Regional value content requirement***

*Sets out methods for calculating regional value content*

- methods for calculating the regional value content of a good are clear and transparent

### ***Value of materials***

*Sets out rules for calculating value of materials*

- rules for calculating value of materials are clear and transparent
- rules are in accordance with the World Trade Organization Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (WTO Customs Valuation Agreement)

### ***Accumulation/cumulation***

*Sets out rules for accumulation/cumulation*

- originating goods and materials of one party incorporated into a good in another party originate in the other party
- an originating good can be produced in the territory of one or more parties by one or more producers.

### ***De minimis***

*Sets out the de minimis rule for deeming a good an “originating good”*

- goods can be considered “originating goods” if the [ ] of non-originating material that does not undergo an applicable change in tariff classification does not exceed [ ]percent of the [ ]of the good.

### ***Fungible/interchangeable goods and materials***

*Sets out the method for determining whether fungible goods or materials are originating goods*

- a fungible/interchangeable good or material is considered an originating good based on its physical segregation or through the use of a Generally Accepted Accounting Principles (GAAP)-recognized inventory management method.

### ***Accessories, spare parts and tools***

*Sets out the method for determining whether accessories, spare parts and tools are originating goods*

- a good's standard accessories, spare parts, or tools delivered with the good are treated as originating if the good is an originating good.
- a good's standard accessories, spare parts, or tools are disregarded in determining whether all of the non-originating materials used in the production of the good undergo an applicable change in tariff classification provided they are classified with and not invoiced separately from the good and their quantities and value are customary for the good.
- if a good is subject to a regional value content requirement, the value of the good's standard accessories, spare parts, or tools delivered with the good is taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

### ***Sets of goods***

*Sets out the method for determining whether sets of goods are originating goods*

- if goods are classified as a set according to rule 3 of the *General Rules of Interpretation of the Harmonized System*, the set is originating only if each good is originating and the set and the goods meet all other applicable requirements in the chapter
- notwithstanding the above, a set is originating if the value of all non-originating goods in the set does not exceed [ ] percent of the [ ] of the set.

### ***Packaging materials and containers for retail sale***

*Sets out how packaging materials for retail sale are to be considered*

- if classified with the good, packaging materials and containers in which a good is packaged for retail sale are disregarded in determining whether all of the non-originating materials used in the production of the good undergo an applicable change in tariff classification.
- if a good is subject to a regional value content requirement, the value of the packaging materials and containers for retail sale is taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

### ***Packaging materials and containers for shipment***

*Sets out how packaging materials for shipment are to be considered*

- packaging materials and containers in which a good is packaged for shipment are disregarded in determining whether the good is an originating good.

***Indirect materials used in production***

*Sets out how indirect materials are to be treated*

- a good used in the production, testing, or inspection of good, but not physically incorporated into the good, is considered to be originating without regard to where it was produced.

***Material that is self-produced***

*Sets out criteria for the treatment of material that is self-produced*

- material that is self-produced is an originating material that complies with the “criteria for originating goods” and is produced by a producer of a good and used in the production of that good.

***Transit and transshipment***

*Sets out the rules for transit and transshipment of goods*

- an originating good
  - o cannot undergo subsequent production or any other operations outside the territories of the parties, except unloading, reloading, storing, or any other operation necessary to preserve the good in good condition or to transport the good to the other party; and
  - o remains under the control of customs authorities in the territory of a non-party.

***Consultation and modification***

*Sets out the framework for consultation between the Parties*

- upon the request of a party, the parties consult to ensure that the rules of origin are administered effectively, uniformly, and consistently.
- the parties consult when modification to a specific rule of origin is proposed by a party.

***Claims for preferential tariff treatment***

*Sets the criteria for importers to make claims for preferential tariff treatment*

- procedures for making claims for preferential tariff treatment are clear and transparent
- importers make claims for preferential tariff treatment based on:
  - o an electronic or written certification (“declaration” in some RTAs/FTAs); or
  - o the importer’s knowledge that the good is an originating good, including reasonable reliance on information in the importer’s possession that the good is an originating good.

***Exceptions to certification requirements***

*Identifies exceptions to certification requirements*

- certification is not required for low-value importations unless the importation is intended to evade compliance with the party’s certification requirements.



- the good is a good for which the importing party does not require the importer to present a certification or information demonstrating origin.

### **Verification**

#### *Sets out the framework for verification*

- the results of the verification are reflected in a written determination that includes factual findings and the legal basis for the determination.
- verification procedures are clear and transparent

### **Obligations relating to importations**

#### *Sets out obligations relating to importations*

- the importing party grants a claim for preferential tariff treatment made in accordance with this chapter unless it issues a written determination that the claim is invalid as a matter of law or fact.
- the importing party may deny preferential tariff treatment to a good if the importer fails to comply with any requirement in the chapter
- an importing party may request an importer that makes a claim for preferential tariff treatment to demonstrate that the good is an originating good, including that the good satisfies the requirements related to transit and transshipment
- an importer will not be subject to penalties for making an invalid claim for preferential tariff treatment if they, on becoming aware that the claim is not valid, promptly and voluntarily corrects the claim and pays any customs duty owing.

### **Definitions**

#### *Sets out the definitions applicable to the chapter on rules of origin and origin procedures*

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

## Sanitary and Phytosanitary Measures

### **General consideration relevant to this chapter**

- it is understood that the parties have the right to take sanitary and phytosanitary measures necessary for the protection of human, animal or plant life or health, provided that such measures are not inconsistent with the provisions of the WTO *Agreement on Sanitary and Phytosanitary Measures* (WTO SPS Agreement).

### **Objectives**

#### **Sets out the objectives of the SPS chapter**

- enhance the parties' implementation of the WTO SPS Agreement and, where appropriate, international standards, guidelines and recommendations developed by relevant international organizations
- facilitate trade and reduce unnecessary restrictions to trade between the parties, while protecting human, animal or plant life or health in the territory of each party
- strengthen cooperation and consultation between the parties on sanitary and phytosanitary matters.

### **Scope**

*Describes the scope and application of the SPS chapter*

- applies to all sanitary and phytosanitary measures, as defined in Annex A of the WTO SPS Agreement, of a party that may, directly or indirectly, affect trade among the parties

### **WTO rights and obligations**

*Reaffirms WTO rights and obligations in applying SPS measures*

- reaffirm rights and obligations with respect to the other party under the WTO SPS Agreement

### **Trade facilitation**

*Promotes cooperation to facilitate trade between the parties*

- cooperate to implement the provisions of the WTO SPS Agreement to facilitate trade between the parties

### **Exchange of information**

*Promotes cooperation on exchange of information between the parties*

- provide notification to the other party as required by the WTO SPS Agreement
- provide notification of non-compliance of consignments with the importing party's SPS measures

### **Consultations**

*Sets out the framework for consultation under the SPS chapter*

- consult with a view to resolving matters related to SPS measures that affect, or may affect, trade between the parties

***Other cooperation***

*Sets out the framework for other cooperation*

- explore opportunities for further cooperation and collaboration including technical assistance on SPS matters for mutual interest and benefits

***Contact points and working mechanism***

*Establishes contact points and a working mechanism to facilitate communication and implementation of the SPS Chapter*

- identify respective agency representatives designated as contact points to facilitate communication
- establish a working mechanism to facilitate communication and consider any matters related to the implementation of this chapter; for example, a Standing or Ad Hoc SPS Committee

## 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
  - o 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
  - o 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
  - o 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
  - o 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:
  - o mutual recognition agreements for conformity assessment to specific regulations
  - o cooperative (voluntary) arrangements between domestic and foreign conformity assessment bodies;
  - o the use of accreditation to verify the technical competence of conformity assessment bodies
  - o unilateral recognition of results of foreign conformity assessment procedures
  - o 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:
  - o respective regulatory regimes, including technical regulations, standards and conformity assessment procedures; and
  - o 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:
  - o not recognising a technical regulation of the other party as equivalent
  - o 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:
  - o facilitation and expansion of trade and investment
  - o promotion of sustainable economic development
  - o participation of the private sector
  - o enhancement of the livelihood of the peoples of the parties and their respective regions
  - o building on existing cooperative relationships
  - o deepening partnerships and cooperation between the parties, and
  - o 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:
  - o agriculture, forestry and fisheries
  - o 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
  - o reviewing and discussing issues concerning the effective implementation of cooperation
  - o identifying and prioritizing areas and forms of cooperation
  - o exchanging views and information on promotion and development of cooperation in the field concerned
  - o identifying and recommending ways for further cooperation
  - o reporting findings and making recommendations on issues related to the implementation and operation of the chapter
  - o discussion other issues relating to the field of cooperation
  - o 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, Korea 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*

- 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.



**Second Trade Facilitation Action Plan (TFAP II)  
Key Performance Indicators (KPI)  
and Reporting Methodologies**



**Report on the Implementation of the Second Trade Facilitation Action Plan (TFAP II)**

Areas	Actions	Key Performance Indicator(s)	Position as at 31 Dec 2006 (a)	Improvements Made between 1 Jan 2007 - 31 Jul 2007 and 1 Aug 2007 - 31 Jul 2008 (b)	Cumulative Improvements Since 1 Jan 2007 (c)	Percentage Change Since 1 Jan 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
<b>Streamline and Standardize Procedures</b>	a) Implement standards for i) travel documentation examination; ii) professional services; iii) travel document security (and issuance systems); and iv) immigration legislation.	Number of economies that have fully implemented the standards for a) travel documentation examination; b) professional service; c) travel document security (and issuance systems); d) immigration legislation.	Position not known in some economies. (The majority of economies reported to SOM in 2006 they met majority of standards.)	Responses not broken down into periods given the number of standards and resultant complexity of the task for some economies (over 200 standards involved).	Ten of the 16 economies report full implementation of all standards.	Percentage not possible to calculate but progress evident as nearly half of all economies (10 of those that reported) have <b>fully implemented</b> all standards.
	b) Streamline arrangements for intra-company transferees in accordance with the agreed APEC 30 day processing standard.	Number of economies which fully meet the agreed 30 day processing standard for visa applications, where complete, of intra company transferees.	19 economies reported at SOM in 2006 they met the standard.	Total of 19 economies reported met the standard over whole period.	All 16 respondents (included in the 19 in previous periods) meet the standard.	0% (based on 19 economies)
	c) Implement and promote the APEC Business Travel Card (ABTC) and/or visa free or visa waver arrangements or at least 3 year multiple entry visas for short term business visitors such as those engaged in the negotiation of the sale of services or goods, establishing an investment or participating in business-related conferences, seminars or workshops.	Percentage increase in the number of APEC Business Travel Cards issued in this reporting year compared to the number issued in the previous reporting year.	At end December 2006, there were 16,684 active cards.	At 31 July 2007, there was a 51% increase and at 31 July 2008, there was a 79% increase over the previous period.	Additional 19,802 cards issued from 1 July 2007.	169%

Areas	Actions	Key Performance Indicator(s)	Position as at 31 Dec 2006 (a)	Improvements Made between 1 Jan 2007 - 31 Jul 2007 and 1 Aug 2007 - 31 Jul 2008 (b)	Cumulative Improvements Since 1 Jan 2007 (c)	Percentage Change Since 1 Jan 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
		Number of economies that have joined the APEC Business Travel Card scheme (either as a transitional or as a full member) (measures commitment to expansion of scheme).	17 full economy members in ABTC scheme.	In 01/01/07-31/07/08 17 full members plus one transitional economy member. After 1 /08/07, 18 full members plus one transitional member.	Additional one full member (Mexico) plus one transitional member (USA) - total membership is 19.	12%
		Number of APEC Business Travel Cards issued since the end of the last reporting period until the end of this reporting period (measures success of card promotion).	At end December 2006, there were 16,684 active cards.	At 31 July 2007, there were 25,129 active cards and at 31 July 2008, there were 44,927 active cards.	Additional 36,688 cards issued from 1 January 2007.	169%
		Number of economies that have implemented either visa free/ visa waiver arrangements or 3 year multiple entry visas for business visitors (agreed CAP collective) or have joined the ABTC scheme.	17 economies were members of ABTC; or had either visa free/waiver arrangements in place and/or multiple entry arrangements.	15 economies have visa free/waiver arrangements and of those economies 5 also have 3-year multiple entry visa arrangements. Two economies have 3- year multiple visa arrangements. By 1 August, 19 economies were ABTC members (18 full; 1 transitional member).	As reported in (b).	12% (based on ABTC increase)
<b>Enhance the Use of Information and Communications Technology</b>	a) Introduce e-lodgement arrangements for temporary residency applications.	Number of economies that have introduced e-lodgement arrangements for temporary residency applications (economies with online application facilities).	One economy had full e-lodgement facilities. Several economies had plans for e-lodgement and several had applications available online.	Not broken down by period. Of 16 respondents, 4 have implemented e-lodgement; 10 have plans underway and 2 are considering.	As reported in (b).	400% (up from 1 to 4 economies)

Areas	Actions	Key Performance Indicator(s)	Position as at 31 Dec 2006 (a)	Improvements Made between 1 Jan 2007 - 31 Jul 2007 and 1 Aug 2007 - 31 Jul 2008 (b)	Cumulative Improvements Since 1 Jan 2007 (c)	Percentage Change Since 1 Jan 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
	b) Introduce an advanced passenger information system which pre-clears passengers to ensure faster clearance on arrival.	Number of economies that have introduced, or plan to introduce, an API system by 2010 to enhance border security and the safety of travellers (measures progress on API Pathfinder Initiative).	11 economies	15 economies	15 economies either implemented or progressing towards implementation including one having implemented in 2008. (Plus one is currently trialling without commitment).	24% (additional 4 economies)
	c) Introduce machine readable travel documents (MRTDs), if possible with biometrics, by end 2008.	Number of economies that have introduced machine readable travel documents (MRTDs) (measures progress by BMG against this agreement).	Majority of economies had introduced MRTDs and were seeking to phase out old non-MRTDs.	All 16 respondents have introduced MRTDs.	16 economies	Percentage not possible to calculate but progress evident as all 16 respondents have introduced MRTDs
		Number of economies that have MRTDs with biometrics (measures progress by BMG to implement this agreement).	Of 17 respondents to a survey in 2005-06, 3 economies indicated that they have begun issuing e-passports. (Four economies indicated they planned to begin issuing e-passports within 6 -12 months).	Of 16 respondents, 10 respondents reported introduction of biometric MRTDs.	10 economies have introduced biometric MRTDs. (Further four will introduce in next 4 years and remaining 3 are planned.)	233% (additional 7 economies)

Areas	Actions	Key Performance Indicator(s)	Position as at 31 Dec 2006 (a)	Improvements Made between 1 Jan 2007 - 31 Jul 2007 and 1 Aug 2007 - 31 Jul 2008 (b)	Cumulative Improvements Since 1 Jan 2007 (c)	Percentage Change Since 1 Jan 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
	d) Make available comprehensive information and application forms for short-stay and temporary residence business visas, including through the APEC Business Travel Handbook and official Immigration/Consular affairs websites, in accordance with Business Mobility Group agreements.	Number of economies that make available comprehensive information through the BMG's APEC Business Travel Handbook and official websites.	19 economies	20 in 2007	20	5% (95% compliance)
	e) Contribute information on lost and stolen travel document, on a best endeavours basis, to the database of the International Criminal and Police (ICPO).	Number of economies that contribute information on lost and stolen travel documents to the International Police and Criminal Organisation (Interpol ICPO).	Total of 10 of 21 economies	In 2007, 6 economies reported agreements/or systems being developed with Interpol; in 2007-08, four economies confirmed now provide data (one from July 2008).	Total of 14 economies provide data to ICPO	40% (additional 4 economies)

**Report on the Implementation of the Second Trade Facilitation Action Plan (TFAP II)**

Areas	Actions	Key Performance Indicator(s)	Position as at Sep 2007 (a)	Improvements Made between Sep 2007 - 31 Jul 2008 (b)	Cumulative Improvements Since Sep 2007 (c)	Percentage Change Since Sep 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
<b>Implementation of the Data Privacy Pathfinder</b>	a) Promote the Pathfinder and seek support and participation from economies.	Number of economies participating in the Pathfinder.	12	16	16	25%
	b) Promote the Pathfinder and linkages to domestic data privacy frameworks.	Number of economies that actively consider or are developing domestic privacy frameworks that refer to the APEC Privacy Framework.	0	6	6	Not applicable, as the baseline figure is 0.
	c) Implement the various elements of the Pathfinder with regards to cross-border cooperation.	Number of documents (including guidelines, directories and templates) developed to implement the various Pathfinder projects.	0	7	7	Not applicable, as the baseline figure is 0.

**Report on the Implementation of the Second Trade Facilitation Action Plan (TFAP II)**

Areas	Actions	Key Performance Indicator(s)	Position as at 31 Dec 2006 (a)	Improvements Made between 1 Jan 2007 - 31 Jul 2007 and 1 Aug 2007 - 31 Jul 2008 (b)	Cumulative Improvements Since 1 Jan 2007 (c)	Percentage Change Since 1 Jan 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
<b>Time Release Survey of goods (TRS)</b>		Application of the TRS methodology to achieve a standardized measurement of the release time. (Number of economies who have implemented the TRS methodology.)	6 out of 18	7 out of 18	8 out of 18	33%
<b>Implement APEC Framework based on the WCO Framework of Standards</b>		Progress in the implementation of the risk management processes based on the advance electronic presentation of cargo information. (Number of economies who have progressed in the implementation of the risk management processes (advance e-information, cargo data harmonization, risk management, non-intrusive equipment, AEO Program) )	9 out of 17	11 out of 17	14 out of 17	56%
<b>Simplification and harmonization on the Revised Kyoto Convention basis</b>		Progress in the adoption and implementation of the Body and General Annex of the RKC. (Number of economies who have ratified and implemented the Body and General Annex of the RKC.)	7 out of 18	7 out of 18	9 out of 18	29%



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<b>Paperless and/or Automation of Trade-related Procedures</b>		Progress in the implementation of the single window systems. (Number of economies who have implemented the simplified procedures and reduced the requirements for paper documentation in Customs clearance.)	12 out of 14	12 out of 14	12 out of 14	0%
<b>Harmonization of Tariff Structure with the HS Convention</b>		Progress in the adoption of the HS Convention and incorporation of the HS 2007 changes. (Number of economies who have adopted the 2007 HS Convention.)	10 out of 18	11 out of 18	16 out of 18	60%
<b>Appropriate, Transparent and Predictable Trade- related Procedures</b>		Progress in the application of steps taken for promoting the integrity of Customs Officials and procedures consistency. (Number of economies who have adopted the 2007 HS Convention.)	15 out of 17	16 out of 17	16 out of 17	7%

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Areas	Actions	Key Performance Indicator(s)	Position as at 31 Dec 2006 (a)	Improvements Made between 1 Jan 2007 - 31 Jul 2007 and 1 Aug 2007 - 31 Jul 2008 (b) (not applicable for SCSC)	Cumulative Improvements between 1 Jan 2007 – 15 October 2008 (c)	Percentage Change Since 1 Jan 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
<b>Align APEC Economies' Domestic Standards with International Standards; Implement Good Practices for the Development and Implementation of Technical Regulations</b>	--Align regulations, rules and procedures, standards and codes affecting the acceptance of goods between economies and markets on the basis of international standards where appropriate, e.g. CODEX, OIE, IPPC, ISO and IEC standards.	(i) Number of APEC economies that are participating in Technical Committees and/or activities in: - ISO	16 (number of member body)		17 (number of member body)	6%
		- IEC	15 (Number of full and associate members)		15 (Number of full and associate members)	0%
		-CODEX	20		20	0%
	--Align with International Standards in agreed priority areas and provide updated information for inclusion in the VAP.	(ii) Number of international standards covered by the VAP standards alignment work as target standards.	310 standards (1 <sup>st</sup> -term to 4 <sup>th</sup> term)		310 standards (1 <sup>st</sup> -term to 4 <sup>th</sup> term)	0%
		(iii) Number of APEC economies that are participating in the VAP activity.	13 (at 2006 survey)		17 (at 2008 survey)	31%
		(iv) Number of APEC economies that have achieved 100% alignment of their standards with international standards in each priority area of the VAP activity.	9 (at 2006 survey)		8 (at 2008 survey)	-11%

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Areas	Actions	Key Performance Indicator(s)	Position as at 31 Dec 2006 (a)	Improvements Made between 1 Jan 2007 - 31 Jul 2007 and 1 Aug 2007 - 31 Jul 2008 (b) (not applicable for SCSC)	Cumulative Improvements between 1 Jan 2007 – 15 October 2008 (c)	Percentage Change Since 1 Jan 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
	--Participate in international and regional comparisons of measurement standards organized by the International Committee on Weights and Measures (CIPM) and the Asia Pacific Metrology Programme (APMP).	(v) Number of APEC economies that are participating in:  - International and regional comparisons of measurement standards organized by CIPM and/or APMP and/or SIM (Interamerican Metrology System).	CIPM: 17 APMP: 17 SIM: 9		CIPM: 17 APMP: 18 SIM: 9	CIPM: 0% APMP: 6% SIM: 0%
	--Promote active participation by the national standards body in regional fora, such as the Pacific Area Standards Congress (PASC).	- PASC (for national standards bodies)	19		20	5%
<b>Achieve Recognition of Conformance in Regulated and Voluntary Sectors</b>	--Adopt/implement the APEC Electrical and Electronic Mutual Recognition Arrangement (EEMRA).  --Implement the Work Program on Trade Facilitation in IT products and utilise the supplier's declaration of conformity, underpinned by relevant accredited conformity assessment.	(i) Number of APEC economies that are participating in recognition of conformance in regulated sectors through:  - APEC Electrical and Electronic MRA	16 (Part I EE MRA) 4 (Part II EE MRA) 3 (Part III EE MRA)		16 (Part I EE MRA) 5 (Part II EE MRA) 4 (Part III EE MRA)	0% (Part I EE MRA) 25% (Part II EE MRA) 33% (Part II EE MRA)

**Report on the Implementation of the Second Trade Facilitation Action Plan (TFAP II)**

Areas	Actions	Key Performance Indicator(s)	Position as at 31 Dec 2006 (a)	Improvements Made between 1 Jan 2007 - 31 Jul 2007 and 1 Aug 2007 - 31 Jul 2008 (b) (not applicable for SCSC)	Cumulative Improvements between 1 Jan 2007 – 15 October 2008 (c)	Percentage Change Since 1 Jan 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
	--Participate in the APEC Food Sectoral MRA.	- APEC Food Sectoral MRA	5		5	0%
	--Participate in the Asia Pacific Laboratory Accreditation Cooperation (APLAC) multilateral MRAs.	(ii) Number of APEC economies that are participating in recognition of conformance in voluntary sectors through: - Asia Pacific Laboratory Accreditation Cooperation (APLAC) multilateral MRAs	16		16	0%
	--Participate in the Pacific Accreditation Cooperation (PAC) multilateral MRAs.	- Pacific Accreditation Cooperation (PAC) multilateral MRAs	5 (Product MLA) 11 (EMS MLA) 14 (PAC MLA for QMS)		9 (Product MLA) 12 (EMS MLA) 15 (PAC MLA for QMS)	80% (Product MLA) 9% (EMS MLA) 7% (PAC MLA for QMS)
	--Participate in the global MRA on measurement standards of the International Committee for Weights and Measures (CIPM).	- Global MRA on measurements standards of the International Committee for Weights and Measures (CIPM)* (* KPI should report on signatory member economies with technical capabilities to implement CIPM-MRA	18		18	0%
<b>Technical Infrastructure Development</b>		(i) Number of APEC economies that are participating in:				
	--Participate in the APEC Food Safety Cooperation Forum.	- APEC Food Safety Cooperation Forum (FSCF)	16 (as of April 2007)		17	6%

**Report on the Implementation of the Second Trade Facilitation Action Plan (TFAP II)**

Areas	Actions	Key Performance Indicator(s)	Position as at 31 Dec 2006 (a)	Improvements Made between 1 Jan 2007 - 31 Jul 2007 and 1 Aug 2007 - 31 Jul 2008 (b) (not applicable for SCSC)	Cumulative Improvements between 1 Jan 2007 – 15 October 2008 (c)	Percentage Change Since 1 Jan 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
	--Participate in the APEC Standards Education initiative.	- Standards Education Project Advisory Group	7		8	14%
		(ii) Number of APEC projects that have been conducted for capacity building.	26		35	35%
	--Participate in the implementation of the technical infrastructure development strategy developed in conjunction with the SRBs.	(iii) Number of APEC economies participating in SRBs activities related to technical infrastructure development.	21 (as of SCSCII 2007)		21	0%
<b>Ensure the Transparency of Standards and Conformance of APEC Economies and Facilitate Engagement with Industry</b>	--Provide information on contact points for technical information relating to standards and conformance in individual economies.  --Where practicable, make information about standards and conformance arrangements publicly available.	(i) Number of APEC economies that are providing information about their standards and conformance related matters on the APEC website.	0		10	Not applicable, as the baseline figure is 0.

**Report on the Implementation of the Second Trade Facilitation Action Plan (TFAP II)**

Areas	Actions	Key Performance Indicator(s)	Position as at 31 Dec 2006 (a)	Improvements Made between 1 Jan 2007 - 31 Jul 2007 and 1 Aug 2007 - 31 Jul 2008 (b) (not applicable for SCSC)	Cumulative Improvements between 1 Jan 2007 – 15 October 2008 (c)	Percentage Change Since 1 Jan 2007 (d) (i.e. [(c)-(a)]/(a) x 100%)
	<p>--Provide opportunities for industry to contribute to standards development activities.</p> <p>--When developing regulations take note of industry agreements across APEC economies, e.g. the World Wine Trade Group Agreement on labelling.</p>	<p>(ii) Number of APEC economies that have achieved participation of business and/or industry in more than 90% of their national committees for standardization.</p> <p>(iii) Number of industries participating in SCSC's Conferences on GRP and Standards &amp; Conformance.</p>	<p>4</p> <p>269</p>		<p>17</p> <p>61</p>	<p>325%</p> <p>-77%</p>

## **APEC FSCF Partnership Training Institute Network (APEC FSCF PTIN) Terms of Reference**

### **1. Mandate**

- 1.1. The APEC Partnership Training Institute Network (APEC FSCF PTIN) is established by the Sub-Committee on Standards and Conformance (SCSC) [and endorsed by APEC Leaders] under the authority of the APEC Food Safety Cooperation Forum (FSCF) to enlist leadership from the private sector and academia to bring additional expertise, resources, and commitment towards fulfilling the critical capacity building needs and goals identified by APEC Member Economies in the FSCF Hunter Valley 2007 Statement.

### **2. Goals**

- 2.1. The APEC FSCF PTIN will support and assist APEC Member Economies in designing, implementing, and promoting the projects and priorities consistent with the FSCF *Implementation Plan 2008–2011*. The initial focus will be on directly supporting the projects identified in the *Implementation Plan 2008–2011*. As the network of experts expands to include more partners from academia and industry in the APEC region, and as information exchange increases and becomes more frequent, the APEC FSCF PTIN will serve as a resource to APEC Member Economies on identifying needs, identifying experts, and building programs to support those needs. The APEC FSCF PTIN work will be, at all times, complementary to and consistent with the goals of the FSCF. While the task of initiating specific projects will remain with individual APEC Member Economies, the APEC FSCF PTIN will serve as a common resource and a coordination point for projects and project overseers.

- 2.2. The APEC FSCF PTIN will accomplish this by:

- Creating a network of food safety institutes and trainers in the APEC region focused on a core food safety management curricula that: is based on food safety issues consistent with the agreed FSCF food safety capacity building priorities; supports the use of international standards; and promotes better understanding of international best practices.
- Building on existing FSCF working relationships among government authorities, establishing additional relationships with academic institutions and industry to assist stakeholders such as regulators, growers, producers and manufacturers to: i) build capacity to provide consumers with a safe supply of food and to facilitate trade in food and food products, and ii) communicate and exchange scientific and technical information related to food safety; and
- Supporting the development and implementation of training sessions, seminars, and workshops on food safety that support the use of international standards, such as those developed by Codex, OIE, and IPPC, in a manner consistent with the obligations of the WTO SPS Agreement.

### 3. PTIN Operations and Organization

- 3.1. The APEC FSCF PTIN will be open to representatives of government, industry, academia, and the specialist regional bodies (SRBs) in APEC Member Economies to participate in its activities, and will be led by a Steering Group comprised of up to eleven volunteer food safety experts.
- The Steering Group will be Chaired by the FSCF Co-Chairs (2) and/or their respective designates and seven additional volunteers constituted as follows:
    - o 2 from APEC Member economies (1 developing Member and 1 developed Member)
    - o 2 from academia
    - o 2 from industry
    - o 1 from an SRB
  - The Steering Group will consult and coordinate directly with the FSCF and may liaise, as needed, with APEC Member Economies under the direction of the FSCF.
  - The Steering Group will consult with additional representatives from industry, academia, SRB's, and governments, as appropriate, to provide input on APEC FSCF PTIN activities.
  - The Steering Group will conduct work via e-mail, teleconference, and in-person meetings, including meetings on the margins of FSCF or SCSC meetings, and at other times as necessary in order to most efficiently conduct its work.
- 3.2. The Steering Group will be supported by a PTIN Secretariat whose function will be to act as an administrative point of contact and facilitate and coordinate the work of the PTIN for the FSCF Co-Chairs by undertaking such tasks as disseminating information, coordinating meetings, and, as appropriate, conducting outreach. The PTIN Secretariat will receive instructions from and report directly to the FSCF Co-Chairs and their staff.
- 3.3. The work program and progress of the APEC FSCF PTIN will be reported by the FSCF to the SCSC as part of the normal FSCF reporting procedures, and where appropriate, to APEC Senior Officials.

### 4. Scope of Activities

- 4.1. In both the short and long term, the APEC FSCF PTIN will focus on providing expertise for the projects and priorities identified by the FSCF and APEC Member Economies. The task of initiating specific projects will remain with individual APEC Member Economies; however, the APEC FSCF PTIN will act as a common resource for all these projects and their project overseers, ensuring appropriate coordination and cooperation among project overseers and between project overseers and key stakeholders. In the short term, the APEC FSCF PTIN will seek to establish a network of institutional expertise on food safety across government, academia, and industry in the APEC region. The APEC FSCF PTIN will provide expertise and trainers for projects and will seek to build relationships with relevant food safety organizations in APEC Member Economies. The APEC FSCF PTIN work will be consistent with the FSCF in that it will complement and not duplicate existing activities carried out by other international or regional organisations.



## 4.2. Technical Resource

4.2.1. The APEC FSCF PTIN will create a network of food safety institutes and trainers in the APEC region focused on core food safety management curricula that is: based on food safety issues consistent with the agreed FSCF food safety capacity building priorities; supports the use of international standards; and promotes better understanding of international best practices. This will be an evolving process, reflective of the needs identified by the FSCF going forward. In doing so, the APEC FSCF PTIN will support economy-led projects by:

- Assisting in the identification of partner institutes capable of implementing food safety training programs;
- Coordinating the development of, through a collaborative process, common core curricula on food safety topics that will be shared with interested partner institutes and APEC Member Economies and utilized at the discretion of each project overseer;
- Providing guidance on food safety training activities, in conjunction with individual project overseers, at established partner and/or newly established partner institutes across the APEC region;
- Facilitating the involvement of academic and industry experts and recruit trainers and trainees for specific projects;
- Developing capacity building tools (such as written materials) and exploring opportunities to utilize technology to deliver capacity building tools (such as online courses);
- Encouraging the adoption of a common approach to food safety management in APEC Member Economies that supports the use of international standards and promotes improved understanding of international best practices; and
- Assisting the FSCF in identifying capacity building needs using its network of expertise.

## 4.3. Project Development

4.3.1. Food safety capacity building project proposals will continue to be submitted by APEC Member Economies, with the FSCF available for consultation, and ranked by the SCSC for submission to the APEC Budget Management Committee for funding approval. The APEC FSCF PTIN may also collaborate on projects that draw funding from other sources. Through consultation and information exchange with APEC Member Economies, the APEC FSCF PTIN can serve as a resource during all stages of project development, including project identification, creation, preparation, implementation, and evaluation. To this end, the APEC FSCF PTIN will:

- Provide support to APEC Member Economies on food safety capacity building activities and priorities identified in the *Implementation Plan 2008–2011*;
- Enhance the quality of APEC Member Economy proposals on food safety capacity building by providing technical advice in the preparation of project proposals; and

- Advise the FSCF on available experts from academia, industry, and government agencies to enhance training programs.

#### 4.4. Communication and Outreach

4.4.1. The APEC FSCF PTIN will facilitate collaboration among the public and private sectors and academia to build the national food safety capacity of participating APEC Member Economies. Accordingly, the APEC FSCF PTIN's Secretariat, as the administrative point of contact and based on guidance from the FSCF Co-Chairs and the Steering Group, will maintain a communication and outreach function that will:

- Engage interested stakeholders and inform industry and academia of opportunities to contribute to APEC food safety capacity building activities;
- Gather input from industry and academia on perceived capacity building needs and priorities as related to the FSCF's *Implementation Plan 2008–2011* and convey this information to the FSCF; and
- Identify academic and industry points of contact willing to be partners in program development and training.

4.4.2. The mandate and terms of reference of the APEC FSCF PTIN shall be subject to review by the FSCF in two years.

## APEC Digital Prosperity Checklist

There is a strong international consensus on the significant benefits of information and communication technologies (ICTs) to economies. Specifically, ICTs provide cost savings through efficiencies and economies of scale, enable the wider dissemination of needed services of societal benefit, and afford opportunities to develop new services industries and markets that create jobs, return income, and drive growth.

APEC has a long history of undertaking work to assist economies in fully participating in the digital economy, beginning in 1996 with APEC's endorsement of the WTO Information Technology Agreement. Most recently, in Hanoi in 2006, APEC Ministers extended this APEC tradition by encouraging "member economies to more deeply engage in building information and communications technologies (ICT) infrastructure and capacity to support strong efforts made in reaching the Brunei Goals on Internet access in the region," and welcoming APEC's collaboration with the private sector to "develop a framework for ICT-enabled growth in the region."

The ICT-enabled growth initiative is designed to assist APEC economies in promoting the use and development of ICTs as a means to enhance their ability to participate in the global digital economy. To that end, the Digital Prosperity Checklist will provide a unique, yet critical tool for individual APEC economies to evaluate whether their domestic legal, regulatory, and trade policy frameworks are designed to positively impact the capacity of ICTs to generate value for their economies.

The Checklist outlines specific **actions** or steps economies could take in six key areas – or "I's" – that would enable them to promote the use and development of ICTs as catalysts for economic growth and development, as well as the **benefits** associated with each action. The six "I's" include:

1. **Infrastructure:** The need for an appropriate supply chain, communications, and applications infrastructure;
2. **Investment:** The ability to promote and support a range of investment opportunities from Foreign Direct Investment to capital flows;
3. **Innovation:** The ability to foster and support innovation, including the ability to protect innovation and investment in research and development;
4. **Intellectual Capital:** The ability to foster the appropriate skills and training from technological to linguistic to entrepreneurship;
5. **Information Flows:** The ability to use, transfer, and process information – the currency of the digital economy – while promoting privacy and a trusted Internet environment; and
6. **Integration:** The ability to connect domestic industries with the global economy.

Where appropriate, the Checklist refers to existing APEC and international initiatives that relate to the content of each of the six "I's".

The Checklist, through the presentation of these combined resources, will not only enable economies to better tailor their policy, legal, and regulatory environments to be

successful in competing in the digital economy, it will also provide a framework for APEC to consider future work in this area.

The Checklist reflects the general APEC principle of voluntarism. Its elements are neither mandatory nor exhaustive, and it will not prejudice the current or future policy of APEC members.

## APEC Digital Prosperity Checklist

ACTIONS	BENEFITS
<b>I. INFRASTRUCTURE</b>	
<ul style="list-style-type: none"> <li>▪ <b>Supply Chain</b></li> </ul>	
<ol style="list-style-type: none"> <li>1. Integrate ICT considerations into national infrastructure development planning – emphasizing capacity of ICT to improve efficiency of physical supply chain (through better design and modeling of road/port/rail links)</li> </ol>	Integration of services along the physical supply chain (e.g., port-rail and port-highway links) can increase speed of trade.
<ol style="list-style-type: none"> <li>2. Adopt policies (particularly in investment) to encourage public-private partnerships in capital investment in infrastructure.</li> </ol>	Leveraging private capital can expand the scale of infrastructure investment, and create space for investment in ICTs that accelerate improvements in supply chain efficiencies.
<ol style="list-style-type: none"> <li>3. Promote the acceptance of electronic documents as equivalent to physical documents in the supply chain process.</li> </ol>	Facilitates the adoption of supply-chain related e-business solutions, which will improve customer relationships and enhanced market reach, and greatly improve the ability of business and governments to conduct paperless trading.
<ol style="list-style-type: none"> <li>4. Promote the use of internationally recognized and widely adopted standards to help support exchanges of information that occur in paperless trading.</li> </ol>	Widely adopted data standards will promote harmonization and efficient sharing of information among APEC economies.
<ul style="list-style-type: none"> <li>▪ <b>Communications</b></li> </ul>	
<ol style="list-style-type: none"> <li>1. Promote through investment and liberalization Internet access expansion and development of telecommunications infrastructure.</li> </ol>	Enable greater and more cost effective penetration of services to broader segments of the population.
<ol style="list-style-type: none"> <li>2. Adopt policies that enable the development, implementation, and application of advanced technologies and services. These efforts should include innovative policies, regulatory frameworks, and programs to meet the needs of unserved or underserved communities used in a sustainable manner.</li> </ol>	Advanced technologies and services make it possible to expand access to unserved and underserved areas, which ensures that all areas of an economy can benefit from the efficiencies brought by ICTs.
<ol style="list-style-type: none"> <li>3. Adopt policies that encourage facilities-based competition,</li> </ol>	Ensures that users benefit from the innovation, resiliency, and long-

ACTIONS	BENEFITS
notably among public telecommunications services operators.	term cost benefits of having infrastructure-based alternatives for communications services.
4. Encourage incentives that facilitate build-out of communications networks (e.g., tax incentives, grants, loans).	The creation of broadband networks offer individuals and businesses the ability to utilize applications that enhance their productivity and enable them to compete on a global basis, which in turn, contributes significantly to generating economic growth and increased number of jobs. Additionally, broadband networks enhance government's ability to deliver higher quality and lower cost services.
5. Encourage deployment of robust broadband networks, implement the <a href="#">APEC Key Principles for Broadband Development</a> , and take action to realize the goal of achieving universal access to broadband by 2015 as set by APEC TEL Ministers in 2008.	High-bandwidth broadband networks provide a platform for productivity increases and innovation; low-bandwidth networks limit applications, productivity and network efficiencies. The more robust the network, the more flexible it can be in adapting new applications, including those important for growth, economic development, and sustainability, such as health care, education, telecommuting, and entertainment. Also, mobility is easier to accommodate with a robust network. Using the capacity afforded by these networks, providers can offer highspeed wireless connections to residents in indoor and outdoor public spaces throughout a community.
6. Encourage a more efficient use of the radio frequency spectrum to facilitate access to the Internet and the introduction of new and innovative services, while taking into account public interest objectives.	Ensures that administration of this scarce resource takes into account the value to consumers of having access to innovative technologies that can expand usage of the radio frequency spectrum and promote technology-based competition, as well as other public interest goals.
7. Implement the <a href="#">1998 APEC TEL Mutual Recognition Arrangement for Conformity Assessment</a> .	Expedites trade of telecom equipment by streamlining conformity assessment processes, eliminating redundant testing and promoting more efficient certification.
8. Adopt security policies consistent with the <a href="#">2002 APEC Cybersecurity Strategy</a> and the <a href="#">2005 APEC Strategy to Ensure a Trusted, Secure, and Sustainable Online Environment</a>	<p>Acceptance of agreed APEC Cybersecurity Strategy concepts can foster cooperation between national law enforcement agencies, which in turn can promote investor confidence in the framework of laws.</p> <p>Ability to protect networks and citizens from cybercrime and cyberattacks, including through the implementation of the APEC Strategy to Ensure a Trusted, Secure, and Sustainable Online Environment, increases trust in the online environment, thereby</p>

ACTIONS	BENEFITS
	increasing the ability for it to contribute to increasing productivity and fostering economic growth.
<ul style="list-style-type: none"> <li>▪ <b>Applications</b></li> </ul>	
<ol style="list-style-type: none"> <li>1. Promote customer-centric e-government supported by backend software and systems, and other collaborative Internet tools, organized around the needs of individual government agencies and bureaus. This would include providing information regarding regulations and policies, including documentation, online.</li> </ol>	Customer-focused e-government efforts spur not only the adoption of e-government services, but broader digital use. They also provide for greater accountability and transparency in government functions, allow governments to more closely interact with citizens, enable citizens to more easily and efficiently navigate government processes, and provide government agencies and bureaus with a greater ability to collaborate.
<ol style="list-style-type: none"> <li>2. Promote opportunities for development and knowledge exchange on software and ICTs in cooperation with the private sector.</li> </ol>	Acquisition of knowledge related to software and development of opportunities leads to local capacity and the ability to develop local industries in support of related services, which will contribute to the development of local software development industry.
<b>II. INTELLECTUAL CAPITAL</b>	
<ul style="list-style-type: none"> <li>▪ <b>Skills and Capacity Development</b></li> </ul>	
<ol style="list-style-type: none"> <li>1. Adopt policies to promote information/computer-literacy to achieve a critical mass of trained ICT professionals and users – skills training should range from functional familiarity with software to software programming to network architecture.</li> </ol>	Critical mass of trained ICT professionals could create "network economies". Enables ICT benefits to be diffused throughout the economy, to improve productivity in other sectors including agriculture and manufacturing, transport and logistics, and finance and business services.
<ol style="list-style-type: none"> <li>2. Emphasize vocational training programs to develop skills in management of an ICT workforce and ICT enterprise.</li> </ol>	Greater investment in education has inherent productivity raising effects, and assists economy in competing for higher value functions in the global economy.
<ol style="list-style-type: none"> <li>3. Adopt policies to encourage the private sector to invest in the development of ICT-related professionals, including through international exchange programs.</li> </ol>	Leveraging private sector resources and expertise in education, professional development and international exchange/employment opportunities can increase the pool of skilled ICT professionals, who can deploy that expertise broadly through the economy to increase productivity.
<ol style="list-style-type: none"> <li>4. Promote the use of new e-commerce systems, including</li> </ol>	Practical advice and support from governments, such as on how to

ACTIONS	BENEFITS
by offering practical advice and support to users.	implement electronic security and authentication measures, is necessary to encourage and facilitate e-services migration processes and the use of government-to-business e-platforms.
5. Adopt policies to promote development of SMEs across all sectors through the adoption and use of ICTs and Internet tools by SMEs.	SME development creates potential to exploit niche markets and enhance high-value employment.  Capacity development in ICT related skills and uses can enhance competitiveness of SMEs which are an important growth vector of the economy.
6. Encourage the development of information literacy.	Increased information literacy expands the benefits of the information society to a broader range of citizens.
7. Adopt policies to promote e-learning, which will enable a wider group of citizens to take advantage of training opportunities.	Widespread availability of e-learning will contribute to the increased development of social and intellectual capital by enabling a greater number of people to benefit from expert training.
<ul style="list-style-type: none"> <li>▪ <b>ICT Education</b></li> </ul>	
1. Ensure the availability of strong, forward looking curricula – at all levels of education – in ICT education, including foundation elements of ICT capacity (mathematics, computer science and engineering, design).	Emphasis on core curricula has network effects – greater competency in core science and engineering disciplines can raise productivity throughout the economy, not just in the ICT sector.
2. Ensure the availability of curriculum on information security and privacy at all levels of education.	Providing education on these issues will promote the responsible and trustworthy use of ICTs.
3. Ensure that education policies promote interaction between domestic education institutions and international institutions through the use of ICTs.	Greater interaction between domestic and international institutions in ICT and through the offering of on-line coursework can accelerate the development of a critical mass of skilled professionals and strengthen partnerships between institutions.
4. Provide ICT-capacity building for teachers at all levels of education.	Ensuring that teachers understand the benefits of ICTs will result in a better prepared workforce.
<b>III. INVESTMENT</b>	
<ul style="list-style-type: none"> <li>▪ <b>FDI Promotion/Policy</b></li> </ul>	



ACTIONS	BENEFITS
1. Implement the <a href="#">1998 APEC Options for Investment Liberalization and Business Facilitation (“Menu of Options”)</a> and the 2008 APEC Investment Facilitation Action Plan (IFAP)	Attracts investment through creation of a positive investment climate, which will in turn promote economic development, stimulate growth, create jobs, and increase technology flows in the Asia-Pacific region.
2. Adopt policies that reflect <a href="#">1994 APEC’s Non-Binding Investment Principles</a>	Increase investment, including in small and medium-sized enterprises, and develop supporting industries.
<ul style="list-style-type: none"> <li>▪ <b>Fluid Capital Markets</b></li> </ul>	
1. Commit to policies which adhere to the highest financial data quality standards and work amongst APEC members to assure the maximum comparability of data on economic activity.	Improvement in speed and quality of data dissemination will provide relevant information concerning economic fundamentals available to investors and other market participants and allow for more efficient asset pricing, which will diminish market volatility and prevent accelerated adverse capital flows.
<ul style="list-style-type: none"> <li>▪ <b>Electronic Payments</b></li> </ul>	
1. Adopt policies that foster an open, robust, competitive, and secure electronic payments industry.	Electronic payments are not only the backbone of the modern economy, ensuring safe and efficient transactions, but also a primary entry point to the formal banking sector for those without existing access. An open, robust, competitive, and secure electronic payments industry is the most efficient way to achieve these benefits as it will lead to the greatest degree of overall investment, innovation, and consumer choice.
2. Adopt policies that promote the use of available technology (e.g., mobile telephony and the Internet) to facilitate electronic payment transactions.	Increased access to a wider variety of services with lower cost of delivery, and increased speed and efficiency.
<b>IV. INNOVATION</b>	
<ul style="list-style-type: none"> <li>▪ <b>Creative Individuals/Industries</b></li> </ul>	
1. Implement the APEC Technology Choice Pathfinder.	The APEC Technology Choice Pathfinder ensures that businesses, government agencies, and citizens have maximum access to different types of technologies and services. Both experience and

ACTIONS	BENEFITS
	research have shown that the best way to encourage competition, promote efficiency, and spur innovation is through adherence to principles that allow market forces to determine the availability, commercialization, deployment, and use of technologies.
2. Maintain an open environment that supports the free flow of information, research, innovation, entrepreneurship, and business transformation.	Promotes the Internet as a reliable, <u>efficient</u> , and <u>adaptable</u> platform for both domestic and cross-border trade.
3. Adopt national policies that promote innovation in ICT, particularly through government support for mechanisms that link private capital with basic research (e.g., developing commercial “clusters” around universities).	Fostering the local development of innovation will encourage venture capital investment and provide market signals to promote individual investment in skills. Capitalizing on the results of local innovation will promote further private investment in technology infrastructure and human capital development.
▪ <b>R&amp;D</b>	
1. Prioritize the use of ICTs in major research-intensive industry sectors (e.g., life sciences, energy, engineering)	ICT tools can create scale for research in knowledge industries (better use of databases, replication of experiments).
2. Encourage basic and applied research conducted through the Internet and related ICTs.	Both basic an applied research in areas from boolean search to mathematics and algorithms used for encryption and traffic management can be of great benefit to the development and application of ICTs to a number of industries that drive economic growth and underpin new business models.
3. Encourage universities, governments, public research, users, NGOs, and business to work together in collaborative innovation networks and to make use of shared experimental Internet facilities.	The Internet is both the engine as well as the beneficiary of global collaboration and is the home for the greatest marketplace of ideas ever known. The Internet also facilitates collaboration with less cost, lower environmental impact and greater breadth of participation to enable more inclusive discussions. New virtual spaces are creating new paradigms of social and commercial interaction in more realistic contexts to allow a broader and richer range of interaction and collaboration.
▪ <b>Intellectual Property System</b>	
1. Develop a comprehensive and balanced intellectual	Comprehensive and balanced intellectual property systems encourage creation and innovation, and provide the tools for

ACTIONS	BENEFITS
property system.	successful management and exploitation of IPR.
<p>2. Implement the <a href="#">2006 APEC Anti-Counterfeiting and Piracy Initiative Model Guidelines for Effective Public Awareness Campaigns on Intellectual Property Rights (IPR)</a> and to <a href="#">Strengthen IPR Capacity Building</a> to improve consumer awareness of the importance of IPR in promoting a vibrant and sustainable digital based economy.</p>	<p>The Model Guidelines for Effective Public Awareness Campaigns on Intellectual Property Rights and to Strengthen IPR Capacity Building are intended to assist economies in building regional capacity among IPR policy and enforcement personnel and improving public awareness and appreciation of the role of IPR in promoting a vibrant and innovative economy. These measures will also assist in fostering the legitimate development of an ICT and Internet-based economy by reducing or eliminating illegal activity over the Internet; encouraging an appreciation of the role of effective and predictable IPR policies in allowing legitimate digitally based business models to develop; and providing for future innovation in the ICTs that underpin the digital economy.</p>
<p>3. Protect against unauthorized copies in any manner or form in line with relevant international norms. Implement the <a href="#">2005 APEC Model Guidelines to Protect Against Unauthorized Copies</a>.</p>	<p>Establishing effective legal regimes and enforcement systems in the digital arena, and providing an effective level of protection for copyrights and related rights for creators is necessary for the development of innovative and effective digitally-based business models for a range of creative industries, and is particularly important for commercial competitiveness, especially for small businesses.</p>
<p>4. Facilitate the acquisition of high quality patents in the APEC region through effective implementation of the <a href="#">2007 APEC Cooperation Initiative on Patent Acquisition Procedures</a> (consistent with the principle on patent independence set forth by the Paris Convention for Protection of Industrial Property, while taking into account of the existing international framework, particularly the Patent Cooperation Treaty (PCT) administered by WIPO), which calls for improved cooperation in the areas of patent examination, including work sharing practices, human resources development, computerization, and capacity building.</p>	<p>Improvements in the efficiency and quality of patent examination will better encourage investment in innovation and promote the dissemination of new technologies, including in the ICT sector, throughout the APEC region.</p>
<p>5. Implement the <a href="#">2005 APEC Model Guidelines to Reduce Trade in Counterfeit and Pirated Goods</a> and the <a href="#">2006 APEC Model Guidelines to Secure Supply Chains against Counterfeit and Pirated Goods</a>, explore innovative</p>	<p>Improved enforcement at the borders to identify, seize and destroy counterfeit and pirated material is a critical component for reducing the incidence of these materials in international supply chains.</p>

ACTIONS	BENEFITS
<p>techniques for border enforcement, and explore other avenues for raising the standard for combating counterfeiting and piracy.</p>	
<b>V. INFORMATION FLOWS</b>	
<ul style="list-style-type: none"> <li>▪ <b>Privacy</b></li> </ul>	
<ol style="list-style-type: none"> <li>1. Promote the development and operation of data privacy frameworks that maximize both privacy protection and the continuity of cross-border information flows consistent with the <a href="#">2004 APEC Privacy Framework</a>.</li> </ol>	<p>The ability to use information flows in an accountable manner will help drive industry and investment to the economy. The lack of consumer trust and confidence in the privacy and security of online transactions and information networks is one element that may prevent economies from gaining all of the benefits of electronic commerce. Therefore, a key part of efforts to improve consumer confidence and ensure economic growth in an information society must be cooperation to balance and promote both effective information privacy protection and the free flow of information.</p>
<ol style="list-style-type: none"> <li>2. Establish appropriate and effective data privacy protection</li> </ol>	<p>Appropriate and effective data privacy protection, as outlined in the <i>APEC Privacy Framework</i>, can promote consumer and business confidence and encourage the development of a wide-range of ICT-enabled commercial activities. Confidence in online commercial activities not only promotes the development of the websites that facilitate commercial transactions, but also the e-business models and related technologies upon which they depend, such as communications systems, payment systems and distribution and delivery mechanisms and related technologies.</p>
<ol style="list-style-type: none"> <li>3. Participate in a regionally recognized system of cross-border privacy rules</li> </ol>	<p>Participation in a regionally recognized system of cross border privacy rules will reduce the transaction costs associated with global transfers of personal data. For those businesses sending data from one APEC economy to another, regional compliance with a broad range of divergent data privacy regulations can be costly. Such burdens can discourage the kind of investment realized through the development of a regional business processing model. Reducing these costs can facilitate ICT and related investment in your economy.</p>

ACTIONS	BENEFITS
<p>4. Participating in a voluntary, multilateral system of data privacy investigation and enforcement cooperation</p>	<p>Participation in a voluntary, multilateral system of data privacy investigation and enforcement cooperation can both reduce unnecessary administrative burdens and facilitate regulatory predictability. Such predictability is essential to ICT development, particularly in a global context.</p>
<p>▪ <b>Trusted Environment</b></p>	
<p>1. Implement policies to promote a trusted, secure, and sustainable online environment, consistent with the <a href="#">2002 APEC Cybersecurity Strategy</a> and <a href="#">2005 APEC Strategy to Ensure a Trusted, Secure, and Sustainable Online Environment</a>, including with respect to emerging technologies.</p>	<p>The ability to use ICTs in a safe and secure manner will help promote accountability, and drive industry and investment to the economy in ICT-related sectors and more broadly.</p>
<p>2. Implement the <a href="#">2005 APEC Principles for Action Against Spam</a> and the <a href="#">2005 APEC Implementation Guidelines for Action Against Spam</a>.</p>	
<p>3. Promote effective consumer protection regimes that provide meaningful access to fair, easy-to-use, and effective dispute resolution mechanisms, including appropriate redress for economic harm resulting from online transactions.</p>	
<p>4. Promote policies that increase security and authentication in electronic documents and transactions.</p>	<p>As the paperless trading environment becomes more prevalent, the security of documents and transactions will need to be assured to maintain consumer trust in Internet-based services.</p>
<p>5. Explore public-private partnerships related to securing elements of the online environment that have an impact on economic security.</p>	<p>Many day-to-day Internet transactions are subject to compromise via viruses, botnets, other malware, as well as fraudulent actors that use the online environment for malicious ends. These issues have the potential to erode consumer and citizen trust of online environments and serve to limit or retard the growth of Internet-based services. Cooperative work between governments and the private sector on awareness and the development of tools and practical guidance related to these threats would help address these issues by improving confidence in the online environment.</p>

ACTIONS	BENEFITS
6. Promote research to address emerging security threats.	Ability to protect networks and citizens from cybercrime increases trust in the online environment, thereby increasing the ability for it to contribute to increasing productivity and fostering economic growth.
7. Adopt policies that foster the adoption and deployment of electronic or digital signature technologies.	Increase the security assurance and speed of processing for documents in the supply chain, and further enhance the reliability of and confidence in electronic payments.
8. Adopt policies that foster the adoption and deployment of sensor-based technologies.	Increase the security, cost effectiveness, and traceability of products in the supply chain.
<b>VI. INTEGRATION</b>	
▪ <b>Products</b>	
1. Implement the <a href="#">WTO Information Technology Agreement (ITA)</a> by eliminating tariffs on all ITA-covered products at the broadest level possible, while also working to eliminate duties on additional IT products.	Will ensure access to low-cost information technology products that will enable broad adoption of these critical enabling technologies.
2. Do not impose customs duties on digital products.	The absence of tariffs on digital products has encouraged vigorous competition, innovation, and entrepreneurship. As a result, consumers benefit by having almost instant access to a wider array of less expensive electronically transmitted products, businesses benefit from the disciplines of the marketplace, and the overall economy benefits from enhanced growth and efficiency.
3. Provide non-discriminatory treatment for digital products.	Trade in the digital economy has largely flourished because barriers in this area have been minimal. Ensuring that digital products will not be subject to protectionist measures will foster the development and use of these products.
4. Employ ICT-based “Single Window” trade facilitation measures utilizing e-signature or digital signature technologies, and the use of electronic documents in cross-border trade in goods and related services.	Single window trade screening utilizes ICTs to reduce administrative costs of trade and fosters export competitiveness.
5. Allow for testing outside borders for electronic and IT equipment and for self-declaration of conformity where regulators determine that products pose a low risk.	For products and technologies with an established track-record, reduce testing and certification that may no longer be necessary to ensure compliance with public interest objectives.

ACTIONS	BENEFITS
<ul style="list-style-type: none"> <li>▪ <b>Services</b></li> </ul>	
<ol style="list-style-type: none"> <li>1. Reduce or eliminate restrictions on the provision of key ICT-related services, including professional, telecommunications, value-added, computer and related, and consulting services.</li> </ol>	<p>Granting full market access and national treatment to ICT-related services provides businesses in all industry sectors access to the best ICT-related services from around the world, so that they can become competitive on a global basis. ICT-related services are increasingly important to the smooth operation of economies, driving overall economic efficiency and productivity. They also enable a business or government to obtain the benefits of information technology quickly and without making major investments to purchase, install, and operate its own computer equipment and without having to hire and retain a full IT staff. Benefits can be gained even if a country does not make the strategic decision to develop its own software and ICT-related services industry. Liberalization of ICT-related services globally will foster the development of a highly competitive ICT-related services industry. This will lower prices and encourage innovation, benefitting businesses and governments that use these services and ultimately translating into benefits for consumers.</p>
<ol style="list-style-type: none"> <li>2. Reduce or eliminate restrictions on key supporting services – services that are needed in order to complete an electronic commerce transaction. (e.g., advertising, distribution, and express delivery).</li> </ol>	<p>Having access to the best supporting services will assist development in the fullest capability of the digital economy. Opening markets in these areas will also help to build-out infrastructure in key IT services.</p>
<ol style="list-style-type: none"> <li>3. Reduce or eliminate restrictions on services that can be delivered electronically or ICT-enabled services.</li> </ol>	<p>Provide easy access to a broad range of advanced services to support an efficient, modern, information economy.</p>
<ol style="list-style-type: none"> <li>4. Implement the WTO Reference Paper in line with 2005 APEC Best Practices for Implementing the WTO Reference Paper.</li> </ol>	<p>Ensures that regulators are empowered to institute transparent, pro-competitive rules and policies, and that new entrants are ensured fair access to networks of incumbent operators.</p>

## **APEC Investment Facilitation Action Plan (IFAP)**

### **Introduction – the benefits of investment**

There is strong international consensus on the benefits of investment, across the spectrum of its activities: from tangible assets to intellectual property. Such investment drives economic productivity, builds jobs, raises incomes, strengthens trade flows and spreads international best technologies and practices. Investment bolsters economic growth for developed and developing economies alike.

APEC's member economies recognise the significant economic benefits of investment and are active in promoting investment and facilitating cross-border investment flows. Facilitating investment requires work: a concerted national and international effort to create and sustain the most conducive climate for investment

APEC has been instrumental in this effort in the Asia-Pacific region beginning with its adoption in 1994 of the non-binding investment principles. These are designed to improve and further liberalise investment regimes and they include measures on facilitation. To reinforce APEC's work in this area, in 2007 in Sydney APEC Leaders agreed to the development of an Investment Facilitation Action Plan (IFAP) aimed at further promotion of investment in APEC member economies. Effective investment facilitation can make a significant contribution to the sort of broader investment climate reform efforts widely practiced by APEC member economies.

### **What is investment facilitation?**

To harness the advantages of foreign investment, it is critical that governments have investment procedures in place that do not unnecessarily increase the costs or risk of doing business, or constrain business competition (which individually or collectively lower productivity and growth). Investment facilitation refers to actions taken by governments designed to attract foreign investment and maximise the effectiveness and efficiency of its administration through all stages of the investment cycle.

Investment facilitation covers a wide range of areas, all with the ultimate focus on allowing investment to flow efficiently and for the greatest benefit. Transparency, simplicity and predictability are among its most important principles. The costs of opacity far outweigh the costs of enhancing transparency. Investors look for an investment environment that is stable, and that offers international best practice standards of protection, including the swift and equitable resolution of investment disputes.

A sound investment facilitation strategy ensures that all investment applications are dealt with expeditiously, fairly and equitably. Investment facilitation also requires creating and maintaining transparent and sound administrative procedures that apply for the lifetime of the investment, including effective deterrents to corrupt practices. Finally, investment facilitation is enhanced by the availability of quality physical infrastructure, high-standard business services, talented and flexible labour forces, and the sound protection of property rights.



## Multilateral Investment Facilitation

Several multilateral organisations have active programs in support of strengthening facilitation practices as part of broader investment promotion policies. The World Bank is at the forefront of these efforts, providing information services and diversified technical assistance to help governments and relevant intermediaries involved in promoting investment enhance their ability to respond effectively to investor needs.

UNCTAD analyses trends in FDI and their impact on development, compiles data on FDI, provides advisory services and training on international investment issues, helps developing countries improve policies and institutions that deal with FDI, and assists these countries to participate in international negotiations on investment. The OECD has developed investment policy instruments, such as the *Framework for Investment Policy Transparency* and the *Policy Framework for Investment*, to assist governments in developing frameworks for investment facilitation.

APEC's IFAP is designed constructively to complement these existing international efforts. It is a consensus plan on investment facilitation that reflects the specificities and priorities of APEC members. While it is non-binding, the IFAP reinforces APEC's commitment to significantly enhanced regional economic integration.

### APEC and investment facilitation

Since its inception in 1989, APEC has emphasised the importance of investment facilitation through practical activities in its work program. In 1995, APEC Leaders adopted the Bogor Goals of free and open trade and investment in the Asia-Pacific region by 2020. At the same time they committed to accelerate APEC's trade and investment facilitation programs. Investment facilitation accordingly is one of the aims of the 1995 Osaka Action Agenda (OAA).

APEC member economies are continuing efforts to enhance transparency of investment regimes, improve investment climates and encourage and facilitate free and open investment in the region. The 2007 report on *Strengthening Regional Economic Integration* emphasises the need to improve further the investment climate in APEC member economies and refocuses APEC's investment liberalisation and facilitation agenda on concrete initiatives that accelerate regional economic integration and reduce behind-the-border barriers.

Among APEC's achievements that have included investment facilitation so far are:

- APEC Non-Binding Investment Principles (1994);
- Options for Investment Liberalisation and Business Facilitation to Strengthen APEC Economies (1997);
- Guide to the Investment Regimes of APEC Member Economies (6<sup>th</sup> edition, 2007); and
- Study on *Enhancing Investment Liberalisation and Facilitation in Economic Development in the Asia-Pacific Region*, which examined ways to reduce 'behind-the-border' barriers to domestic investment.

These initiatives were undertaken in recognition of the diversity that exists among APEC member economies, and they provide members with a broad range of policy choices suitable for different economic circumstances.

## Aims of APEC's IFAP

The main aims of the IFAP are to:

- strengthen regional economic integration;
- strengthen the competitiveness and sustainability of economic growth of APEC's member economies;
- expand prosperity and employment opportunities in the APEC region; and
- make further progress toward achievement of the Bogor Goals.

## APEC's investment facilitation principles

The following principles are not exhaustive. They provide a guide to the kind of provisions that would constitute better practice in investment facilitation. They will not prejudice the positions of APEC members in any of their current or future unilateral actions or negotiations with investment provisions.

### *A working framework*

<b><i>Principles</i></b>	<b><i>Government role</i></b>	<b><i>Business impact</i></b>
<ul style="list-style-type: none"> <li>▪ <i>Promote accessibility and transparency in the formulation and administration of investment-related policies</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide full, clear and up-to-date picture of investment regime, including advance notice of proposed changes</li> <li>▪ Ensure readily available information, including through “one-stop” or special enquiry points and on-line services where appropriate</li> <li>▪ Promote legislative simplification including plain language drafting</li> <li>▪ Publicise outcomes of periodic reviews of investment regime</li> </ul>	<ul style="list-style-type: none"> <li>▪ Encourages business interest and enables business decisions</li> <li>▪ Allows business to include prospective changes in its planning decisions</li> <li>▪ Gives business confidence that laws, regulations and policies are consistent across different areas and levels of government</li> <li>▪ Promotes a perception in business that the government aims to maintain a good investment climate</li> </ul>
<ul style="list-style-type: none"> <li>▪ <i>Enhance stability of investment environments, security of property and protection of investments</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide an environment which is politically and economically stable.</li> <li>▪ Provide secure property rights covering tangible and intangible assets including land use rights.</li> <li>▪ Provide well-performing court systems.</li> <li>▪ Facilitate effective contract enforcement.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reduces non-commercial risk associated with investment</li> <li>▪ Links more appropriately effort and reward increasing incentive to invest.</li> <li>▪ Increases business confidence in the domestic legal system</li> <li>▪ Increases ability to raise finance especially for SMEs</li> <li>▪ Provides investor guarantee of compensation for regulatory</li> </ul>

<b>Principles</b>	<b>Government role</b>	<b>Business impact</b>
	<ul style="list-style-type: none"> <li>▪ Limit and review the use of regulatory expropriation and guarantee prompt adequate and effective compensation.</li> <li>▪ Encourage development of effective, reasonable cost mechanisms for resolving disputes including private arbitration services.</li> <li>▪ Consider membership of recognised international arbitration bodies.</li> <li>▪ Provide a mechanism for the enforcement of arbitral awards.</li> </ul>	<p>takings.</p> <ul style="list-style-type: none"> <li>▪ Gives recourse to impartial channels of dispute settlement</li> <li>▪ Gives an additional layer of protection in cases of disputes</li> </ul>
<ul style="list-style-type: none"> <li>▪ <i>Enhance predictability and consistency in investment-related policies</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Systematise and institutionalise common application of investment regulations.</li> <li>▪ Give equal treatment in the operation and application of domestic laws and regulations on investment.</li> <li>▪ Avoid discriminatory use of bureaucratic discretion</li> <li>▪ Establish clear criteria and transparent procedures for administrative decisions including with respect to investment approval mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensures certainty to encourage business decisions</li> <li>▪ Simplifies business transactions and builds business confidence</li> <li>▪ Reassures investors that they are being given equal treatment</li> <li>▪ Reduces cost of doing business and adds to competitiveness</li> <li>▪ Reduces scope for corruption</li> </ul>
<ul style="list-style-type: none"> <li>▪ <i>Improve the efficiency and effectiveness of investment procedures</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Simplify, streamline and quicken investment regime and processes .</li> <li>▪ Provide timely, relevant and prompt advice.</li> <li>▪ Encourage and foster institutional cooperation and coordination</li> <li>▪ Where appropriate, establish “one-stop” approval authority – eg an active investment promotion agency with adequate funding</li> <li>▪ Clarify policy roles and accountabilities between different levels of government.</li> <li>▪ Keep the costs to the investor of the investment approval process to a minimum.</li> </ul>	<ul style="list-style-type: none"> <li>▪ More attractive investment environment</li> <li>▪ Speeds up investment processes</li> <li>▪ Avoids duplication and double-handling at different levels of government</li> <li>▪ Lowers the cost of doing business, especially for small and medium sized enterprises with higher barriers to entry</li> </ul>
<ul style="list-style-type: none"> <li>▪ <i>Build constructive</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain mechanisms for</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enables business to help shape</li> </ul>

<b>Principles</b>	<b>Government role</b>	<b>Business impact</b>
<i>stakeholder relationships</i>	<p>regular consultation and dialogue with interested parties including investors.</p> <ul style="list-style-type: none"> <li>▪ Provide framework to identify and address problems encountered by investors.</li> <li>▪ Promote improved standards of corporate governance.</li> <li>▪ Promote responsible business conduct.</li> </ul>	<p>productive investment environment</p> <ul style="list-style-type: none"> <li>▪ Ensures problems can be dealt with expeditiously</li> <li>▪ Strengthens private-public sector partnerships</li> <li>▪ Enables business to operate in a more socially responsible manner</li> </ul>
<ul style="list-style-type: none"> <li>▪ <i>Utilise new technology to improve investment environments</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Apply new technology to improve information, application and approval processes.</li> <li>▪ Promote the adoption of new technology, including through training of officials at all levels of government in their use.</li> <li>▪ Provide adequate and effective protection of technology and related intellectual property rights.</li> <li>▪ Develop strategies to meet the intellectual property needs of SMEs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased accessibility and reduced business costs</li> <li>▪ Enhanced security through measures such as passwords and e-signatures</li> <li>▪ Encourages business to invest in research and development and to train personnel in the use of new technologies</li> <li>▪ Encourages business to invest in continuous improvement for new technologies and processes</li> </ul>
<ul style="list-style-type: none"> <li>▪ <i>Establish monitoring and review mechanisms for investment policies</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain mechanism for regular evaluation of investment regime.</li> <li>▪ Benchmark and measure performance of institutions involved in facilitating investment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maximises effectiveness of investment regime, including in line with current international best practice</li> <li>▪ Encourages business to be innovative and forthcoming with new ideas</li> </ul>
<ul style="list-style-type: none"> <li>▪ <i>Enhance international cooperation</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Consider joining international instruments promoting international investment.</li> <li>▪ Encourage investment facilitation through bilateral agreements, including free-trade agreements.</li> <li>▪ Make use of international and regional initiatives aimed at building investment expertise, including information sharing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promotes international competitiveness of the economy</li> <li>▪ Increases predictability of the investment environment through binding treaty action</li> <li>▪ Especially relevant to companies with investments in more than one economy</li> </ul>

## **APEC's broader business facilitation agenda**

APEC's investment facilitation work cannot be considered in isolation from APEC's broader business facilitation activities. APEC continues to be the regional leader in promoting trade and investment liberalisation and facilitation, which remains a cornerstone for strengthening regional economic growth and integration. APEC's agenda is also increasingly focused on structural economic reform, so-called 'behind the border' initiatives to bolster trade and investment in the region. This includes areas such as domestic regulatory reform, corporate and public governance, critical infrastructure and capacity building. Ongoing reform in these areas is integral to underpinning productivity growth, increasing economic growth and stability and boosting trade and investment flows. APEC also has a growing human security agenda in support of stronger trade and investment environments, such as countering the threat of terrorism, food security and emergency management.

IFAP is intended to complement and reinforce existing APEC work on investment facilitation (outlined at Attachment A). In the same way, it is intended to work hand in glove with business and industry stakeholders. An important partner in this work is the APEC Business Advisory Council (ABAC). Ongoing consultation with these stakeholders is a feature of the IFAP.

### **Capacity Building**

An important feature of IFAP is provision for capacity building and technical cooperation to assist lesser developed APEC member economies with implementation. Such capacity building may include activities such as

- APEC activities aimed at improving capacity in developing economies; and
- participation in activities — including training and where appropriate use of other capacity building initiatives such as toolboxes — offered bilaterally or organised by multilateral or regional organisations such as the World Bank, UNCTAD and OECD.

In the course of developing Key Performance Indicators (KPIs) for IFAP actions, sub-fora may consider to identify a minimum of one capacity building need and mechanism to address this. Such mechanisms may include assistance from individual APEC member economies, cooperative activities in APEC, and, on occasion, assistance from international and regional institutions.

### **Measurement and Reporting**

CTI has agreed to develop a work program on implementation of the actions in the IFAP including related to methodologies for reporting progress.

## Critical Dates

### 2008

- MRT:
  - CTI/SOM to finalise IFAP drafting for Ministers' endorsement
  - Ministers to consider endorsement of the IFAP
  
- SOM III:
  - CTI to consider recommendations on KPIs and reporting methodologies for endorsement
  - CTI to consider capacity building proposals for endorsement
  
- Leaders: Report progress to Leaders

### 2009

- SOM I:
  - CTI to consider report by sub-fora and fora on implementation of IFAP
- SOM III:
  - CTI to consider report by sub-fora and fora on implementation of IFAP
- Leaders: Report progress to Leaders

## Investment facilitation – menu of actions and measures

<i>Specific actions</i>	<i>Timetable</i>
<b><i>Promote accessibility and transparency in the formulation and administration of investment-related policies</i></b>	
<ul style="list-style-type: none"> <li>▪ Publish laws, regulations, judicial decisions and administrative rulings of general application, including revisions and updates.</li> </ul>	Continuing
<ul style="list-style-type: none"> <li>▪ Adopt centralised registry of laws and regulations and make this available electronically.</li> </ul>	By 2010
<ul style="list-style-type: none"> <li>▪ Establish a single window or special enquiry point for all enquiries concerning investment policies and applications to invest</li> </ul>	2008
<ul style="list-style-type: none"> <li>▪ Make available all investment-related regulations in clear simple language, preferably in languages commonly used by business</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Establish an Investment Promotion Agency (IPA), or similar body, and make its existence widely known</li> </ul>	2009 and beyond
<ul style="list-style-type: none"> <li>▪ Make available to investors all rules and other information relating to investment promotion and incentive schemes</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Allow investors to choose their form of establishment within legislative and legal frameworks.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Ensure transparency and clarity in investment-related laws</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Establish an APEC-wide website or e-portal to replace the hard copy publication the APEC Investment Guidebook (IEG)</li> </ul>	By end 2009
<ul style="list-style-type: none"> <li>▪ Encourage on-line enquiries and on-line information on all foreign investment issues</li> </ul>	Continuing
<ul style="list-style-type: none"> <li>▪ Publish and/or make widely available screening guidelines for assessing investment proposals</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Maintain a mechanism to provide timely and relevant advice of changes in procedures, applicable standards, technical regulations and conformance requirements</li> </ul>	
<ul style="list-style-type: none"> <li>▪ To the extent possible, provide advance notice of proposed changes to laws and regulations and provide an opportunity for public comment</li> </ul>	Continuing
<ul style="list-style-type: none"> <li>▪ Explore the possibility of using the international benchmarks on a voluntary basis as a reference point for peer dialogue and measuring progress</li> </ul>	2009
<b><i>Enhance stability of investment environments, security of property and protection of investments</i></b>	
<ul style="list-style-type: none"> <li>▪ Establish timely, secure and effective systems of ownership registration and / or property use rights for land and other forms of property.</li> </ul>	Continuing
<ul style="list-style-type: none"> <li>▪ Create and maintain an effective register of public or state</li> </ul>	2010

<i>Specific actions</i>	<i>Timetable</i>
owned property.	
<ul style="list-style-type: none"> <li>Ensure costs associated with land transactions are kept to a minimum including by fostering competition.</li> </ul>	Continuing
<ul style="list-style-type: none"> <li>Explore the possibility of using the World Bank <i>Doing Business</i> indicator "Registering Property" as the basis for peer dialogue and benchmarking and measuring progress across APEC</li> </ul>	2010
<ul style="list-style-type: none"> <li>Foster the dissemination of accurate market reputation information including creditworthiness and reliability</li> </ul>	Continuing
<ul style="list-style-type: none"> <li>Explore the possibility of using the World Bank <i>Doing Business</i> indicator "Enforcing Contracts" as the basis for peer dialogue and benchmarking and measuring progress across APEC</li> </ul>	2009
<ul style="list-style-type: none"> <li>Encourage or establish effective formal mechanisms for resolving disputes between investors and host authorities and for enforcing solutions, such as judicial, arbitral or administrative tribunals or procedures</li> </ul>	Continuing
<ul style="list-style-type: none"> <li>Encourage and facilitate the use of arbitration and other means of alternative dispute resolution for the settlement of international commercial disputes between private parties</li> </ul>	Continuing
<ul style="list-style-type: none"> <li>Facilitate commercial dispute resolution for foreign investors by providing reasonable cost complaint-handling facilities, such as complaint service centres, and effective problem-solving mechanisms</li> </ul>	
<ul style="list-style-type: none"> <li>Encourage the adoption of a dispute settlement framework that reflects the <i>International Convention on the Settlement of Investment Disputes between States and Nationals of Other States</i> (ICSID)</li> </ul>	2008 and beyond
<ul style="list-style-type: none"> <li>Take steps to accede to an arbitral convention</li> </ul>	
<ul style="list-style-type: none"> <li>Explore the possibility of using the World Bank <i>Doing Business</i> indicator "Protecting Investors" as the basis for peer dialogue and benchmarking and measuring progress across APEC</li> </ul>	2009
<b><i>Enhance predictability and consistency in investment-related policies</i></b>	
<ul style="list-style-type: none"> <li>Increase use of legislative simplification and restatement of laws to enhance clarity and identify and eliminate inconsistency.</li> </ul>	
<ul style="list-style-type: none"> <li>Provide equal treatment for all investors in the operation and application of domestic laws and principles on investment.</li> </ul>	
<ul style="list-style-type: none"> <li>Reduce the scope for discriminatory bureaucratic discretion in interpreting investment-related regulations</li> </ul>	Beginning in 2008
<ul style="list-style-type: none"> <li>Maintain clear demarcation of agency responsibilities where an economy has more than one agency screening or authorising investment proposals or where an agency has regulatory and commercial functions</li> </ul>	



<b>Specific actions</b>	<b>Timetable</b>
<ul style="list-style-type: none"> <li>Establish and disseminate widely clear definitions of criteria for the assessment of investment proposals</li> </ul>	
<ul style="list-style-type: none"> <li>Establish accessible and effective administrative decision appeal mechanisms including where appropriate impartial “fast-track” review procedures</li> </ul>	2009
<ul style="list-style-type: none"> <li>Explore the possibility of using the World Bank <i>Doing Business</i> indicator “Dealing with Licenses” as the basis for peer dialogue and benchmarking and measuring progress across APEC</li> </ul>	2009
<b>Improve the efficiency and effectiveness of investment procedures</b>	
<ul style="list-style-type: none"> <li>Simplify and streamline application and, registration, licensing and taxation procedures and establish a one-stop authority, where appropriate, for the lodgement of papers</li> </ul>	
<ul style="list-style-type: none"> <li>Simplify and reduce the number of forms relating to foreign investment and encourage electronic lodgement</li> </ul>	
<ul style="list-style-type: none"> <li>Shorten the processing time and procedures for investment applications.</li> </ul>	
<ul style="list-style-type: none"> <li>Promote use of “silence is consent” rules or no objections within defined time limits to speed up processing times, where appropriate</li> </ul>	
<ul style="list-style-type: none"> <li>Ensure the issuing of licences, permits and concessions is done at least cost to the investor</li> </ul>	
<ul style="list-style-type: none"> <li>Simplify the process for connecting to essential services infrastructure</li> </ul>	Continuing
<ul style="list-style-type: none"> <li>Explore the possibility of using the World Bank <i>Doing Business</i> indicator “Starting a Business” as the basis for peer dialogue and benchmarking progress across APEC</li> </ul>	2010
<ul style="list-style-type: none"> <li>Establish and disseminate widely clear and simple instructions and explanations concerning the application and registration process</li> </ul>	
<ul style="list-style-type: none"> <li>Implement strategies to improve administrative performance at lower levels of government.</li> </ul>	
<ul style="list-style-type: none"> <li>Facilitate availability of high standard business services supporting investment</li> </ul>	
<b>Build constructive stakeholder relationships</b>	
<ul style="list-style-type: none"> <li>To the extent possible, establish a mechanism to provide interested parties (including business community) with opportunity to comment on proposed new laws, regulations and policies or changes to existing ones prior to their implementation.</li> </ul>	2008
<ul style="list-style-type: none"> <li>Continue to share APEC member economies’ experiences of successful stakeholder consultative mechanisms</li> </ul>	2009
<ul style="list-style-type: none"> <li>Promote the role of policy advocacy within IPAs as a means of</li> </ul>	Continuing

<b>Specific actions</b>	<b>Timetable</b>
addressing the specific investment problems raised by investors including those faced by SMEs	
<ul style="list-style-type: none"> <li>▪ Continue to share APEC member economies' experiences of successful public private dialogue to take advantage of the information on successes and problems encountered by established investors</li> </ul>	Continuing
<ul style="list-style-type: none"> <li>▪ Promote backward investment linkages between businesses, especially between foreign affiliates and local enterprises including through the promotion of industry clusters</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Encourage high standards of corporate governance through cooperation aimed at promoting international concepts and principles for business conduct, such as APEC's programs on corporate governance and anti-corruption.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Examine and share APEC member economies' experience with responsible business conduct instruments.</li> </ul>	Continuing
<b>Utilise new technology to improve investment environments</b>	
<ul style="list-style-type: none"> <li>▪ Promote the introduction and use of new technologies aimed at making the investment process simpler and faster</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Maintain adequate and effective protection of technology and related intellectual property rights</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Where possible, give effect to international norms for property protection</li> </ul>	
<b>Establish monitoring and review mechanisms for investment policies</b>	
<ul style="list-style-type: none"> <li>▪ Conduct periodic reviews of investment procedures ensuring they are simple, transparent and at lowest possible cost.</li> </ul>	2008 and 2009
<ul style="list-style-type: none"> <li>▪ Establish indicators for monitoring the performance of the special inquiry points or Investment Promotion Agencies such as those set down by the Multilateral Investment Guarantee Agency</li> </ul>	2010
<b>Enhance international cooperation</b>	
<ul style="list-style-type: none"> <li>▪ To the best extent possible, accede to, or observe, multilateral and/or regional investment promotion and facilitation conventions</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Make use, where appropriate, of international and regional initiatives aimed at building investment facilitation and promotion expertise, such as those offered by the World Bank, UNCTAD and OECD</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Ensure measures exist to ensure effective compliance with commitments under international investment agreements</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Review existing international agreements and treaties to ensure their provisions continue to create a more attractive environment for investment.</li> </ul>	Continuing

## Attachment A

## Investment facilitation actions already under way

<i>Principle</i>	<i>Action under way</i>
<i>Accessibility and transparency</i>	<ul style="list-style-type: none"> <li>• Tourism Destinations using Planning Processes to Facilitate Investment (TWG)</li> <li>• Capacity Building on Tourism Satellite Account as basis for Promoting Liberalization and Facilitation on Tourism Services (TWG 01/2008T)</li> <li>• Reducing Trade, Regulatory, and Financing Barriers to Accelerate the Uptake of Clean Coal Technologies by Developing Economies in the Asia Pacific Region (EWG 01/2008T)</li> <li>• ABAC: Business Statements on the importance of Transparency to Facilitate Investment</li> </ul>
<i>Stability, security and protection</i>	
<i>Predictability and consistency</i>	<ul style="list-style-type: none"> <li>• Seminar on Good Governance on Investment Promotion (CTI 10/2008T)</li> <li>• Cross-border Mergers and Acquisitions on Exports, FDI and Competition Policy (EC)</li> <li>• ABAC: Business Statements on the importance of Harmonisation of Rules to Facilitate Investment</li> </ul>
<i>Efficiency and effectiveness</i>	<ul style="list-style-type: none"> <li>• APEC-UNCTAD Joint Capacity Building Project for Addressing Knowledge Gaps in the Use of Foreign Direct Investment (Stage 1) (CTI 03/2008A)</li> <li>• APEC-UNCTAD Joint Capacity Building Project for Addressing Knowledge Gaps in the Use of Foreign Direct Investment (Stage 2) (CTI 04-2008A)</li> <li>• Doing Business - Investment at the Sub-National Level to Promote Economic Integration (Phase 1) (CTI 35/2008T)</li> <li>• Measures Affecting Cross Border Exchange and Investment in Higher Education in the APEC Region (HRD 02/2008T)</li> <li>• Study on Measures of Ease of Doing Business in APEC (EC)</li> <li>• ABAC: Business Statements on the importance of Simplification of Approvals Processes to Facilitate Investment</li> </ul>
<i>Constructive stakeholder relationships</i>	<ul style="list-style-type: none"> <li>• Workshop on SMEs' Financing in Asia-Pacific Region (SMEWG 02/2008A)</li> <li>• Capacity Building for Investment Liberalisation and Facilitation (HRDWG project for 2007-2008) (HRD 01/2007T)</li> <li>• Capacity Building for Sharing Success Factors of Improvement of Investment Environment (CTI 32/2008T)</li> <li>• ABAC: Matrix of Successful Investment Facilitation Measures</li> </ul>
<i>Use of new technology</i>	
<i>Monitoring and review</i>	

<b><i>Principle</i></b>	<b><i>Action under way</i></b>
<i>Enhance international cooperation</i>	<ul style="list-style-type: none"> <li>• Seminar on Recent Trends on Investment Liberalization and Facilitation in Transport and Telecommunications Infrastructure (CTI 09/2008T)</li> <li>• APEC Energy Trade and Investment Study and Roundtable (EWG)</li> <li>• Capacity Building for International Investment Agreements (CTI 02/2008T)</li> <li>• Core Elements in International Investment Agreements Project (Phase II) (CTI 34-2008T)</li> <li>• APEC Seminar for Sharing Experience in APEC Economies on Relations between Competition Authorities and Regulator Bodies (CTI 13/2008T)</li> </ul>

## **APEC Life Sciences Innovation Forum Enablers of Investment Checklist**

**GOAL: Use the Enablers of Investment Checklist to assess and improve the environment for investment in the innovative life sciences sector in each APEC economy, thus boosting both health and economic outcomes.**

The changing landscape of innovation in the health sector is of critical importance to APEC economies, from both a health outcomes perspective and an economic perspective. As infectious and chronic disease patterns grow increasingly complex, the need to stimulate investment in R&D in the health sector and bring the innovations into practice, and the need to boost overall APEC capacity for life sciences innovation become pressing concerns. In 2004 APEC Ministers approved the LSIF Strategic Plan, which provides recommendations for strengthening the innovative life sciences sector in the APEC region, placing particular emphasis on boosting region-wide levels of investment in R&D. In 2006, APEC Ministers specifically welcomed the development of mechanisms to “identify and address enablers of investment in life sciences innovation in health systems.”

Within this context, the forum has developed the LSIF Enablers of Investment Checklist. This Checklist is to be used as a tool for policymakers in each APEC economy to assess the strengths and weaknesses of their investment environment. This will put policymakers in a position to take the necessary steps to improve the investment environment for the innovative life sciences sector, thus boosting both health and economic outcomes. The checklist draws on the Life Sciences Readiness Assessment (LSRA) tool developed in 2004 and revised in 2005.

Consistent with the LSRA, the Checklist consists of a set of overarching principles that guide the direction of the assessment. These overarching principles reflect the recommendations in the LSIF Strategic Plan, endorsed by Ministers and Leaders in November 2004, guidance provided in recent LSIF Reports to Ministers, and recent Ministerial statements. Each of these principles contains specific measures identified as an enabler of investment in life sciences. Each principle also has associated performance metrics for use in the economy-specific assessments.

### **Overarching Principles**

LSIF affirms the importance of promoting the following critical principles for enabling investment in the innovative life sciences sector:

- Increasing human capital
- Effective and adequate intellectual property rights (IPR) systems
- Open and competitive markets and free trade
- Support for research and development
- Efficient and internationally harmonized regulatory systems
- A holistic and transparent approach to health care policy

### **Application of the Checklist**

Following the model of the LSRA, LSIF envisions that economies would undertake self assessments on a rolling basis, with assistance from an independent facilitator. Outcomes would be reported to LSIF.

Increasing human capital	
Enabler of Investment	Comment
<input type="checkbox"/> Policies designed to increase the pool of top quality scientists, regulatory experts, and health service professionals	
<input type="checkbox"/> Strong life sciences curricula at all levels of education, starting at the primary level (including general science, biology, chemistry, math, physics, engineering)	
<input type="checkbox"/> Supportive of cooperative research policies and programs in life sciences	
<input type="checkbox"/> APEC-wide scientific exchange programs	
<input type="checkbox"/> Policies designed to develop experienced private-sector management for life sciences enterprises (innovative pharmaceuticals, medical devices, other innovative health products)	
<input type="checkbox"/> Openness to public-private partnerships designed to enhance life sciences capabilities	
Performance Metrics	Measurement
Number of MDs/PhDs in the life sciences (biology, chemistry, etc.)	
Number of graduate level programs on life sciences	
Number of certified teachers working in life sciences	
Total number of life sciences-related not-for-profit organizations, including professional societies, patient groups, etc.	
Government grant money available for life sciences education, in US dollars	
Number of laboratories consistent with relevant international standards	
Total employment in the life sciences sector	

Effective and adequate IPR systems	
Enabler of Investment	Comment
<input type="checkbox"/> A legal framework for patent protection that effectively protects investment in the life sciences (innovative pharmaceuticals, medical devices, and other innovative health products)	
<input type="checkbox"/> Provisions to prohibit, discourage, or delay marketing approval for a product that may infringe on a patent held by a different firm, including: provision for accessible listing of pharmaceutical patents; provision for notification and certification of non-infringement during regulatory application process; provision to delay regulatory approval process to allow for patent holder response and judicial resolution in case of dispute	
<input type="checkbox"/> Policies that provide for a restoration of patent term to compensate for delays in regulatory market approval	
<input type="checkbox"/> Policies and provisions to protect clinical data from unfair commercial use	
<input type="checkbox"/> Policies that foster transparency in the administration of IPR	
<input type="checkbox"/> Administrative and judicial frameworks that provide fair and predictable IPR	
<input type="checkbox"/> Adequate infrastructure and resources for enforcement of IP laws and regulations	
<input type="checkbox"/> Appropriate criminal prosecution of IPR offenders	
<input type="checkbox"/> Policies that facilitate the efficient and effective formulation of	

licensing agreements	
<b>Performance Metrics</b>	<b>Measurement</b>
Number of life sciences (innovative pharmaceuticals, medical device, and other innovative health products) patents granted in most recently completed year	
Cite provisions (laws and/or regulations), if any, that prohibit, discourage or delay issuing marketing approval for a product currently under patent protection by another firm	
Patent term provided for innovative medicines, in years	
Cite provisions (laws and/or regulations), if any, that provide for the protection of clinical data from unfair commercial use	
Term of protection for clinical data from unfair commercial use, in years	
Penalties (criminal, civil, administrative) for IPR infringement (patent, trademark, copyright)	
Cite provisions, (laws and/or regulations), if any, that support licensing agreements	

Open and competitive markets and free trade	
Enabler of Investment	Comment
<input type="checkbox"/> Decreasing tariffs and NTBs to regional trade in life science products	
<input type="checkbox"/> Rules for capital flow aligned with the principles of an open and competitive market	
<input type="checkbox"/> Ownership rules and regulations that promote investment in life sciences, including the operation of wholly-owned subsidiaries	
<input type="checkbox"/> Policies that boost the ability for the life sciences sector to communicate with consumers and physicians in a balanced and ethical manner	
<input type="checkbox"/> Trading rights compliant with principles of an open and competitive market	
<input type="checkbox"/> Distribution rules consistent with principles of an open and competitive market	
<input type="checkbox"/> Adequate physical infrastructure to ensure appropriate delivery of health products	
<input type="checkbox"/> Healthcare system is responsive to the introduction of new medical therapies	
<b>Performance Metrics</b>	<b>Measurement</b>
Levels of combined public and private investment in life sciences, in estimated US dollars	
Applied tariff rates across the region on life science products	
Number of patented products introduced to the healthcare system	

Support for research and development	
Enabler of Investment	Comment
<input type="checkbox"/> Broad government buy-in on the long-term value of R&D in the life sciences sector and the overall value of innovation	
<input type="checkbox"/> Encouragement of public-private partnerships in financing R&D	
<input type="checkbox"/> Access to capital markets	
<input type="checkbox"/> Access to venture capital	

<input type="checkbox"/> Mechanisms for commercial partnerships to enable the transition from basic to applied research and commercialization	
<input type="checkbox"/> Predictable and transparent policy-making environment	
<input type="checkbox"/> Alliance between venture companies and pharmaceutical companies	
<b>Performance Metrics</b>	<b>Measurement</b>
Level of government funding for R&D in the life sciences sector	
Tax incentives for R&D investment	
Ranking of capital market performance	
Volume of venture capital dedicated to life sciences sector, in US dollars	
Examples of public-private partnerships in life sciences R&D development	

Efficient and internationally harmonized regulatory systems	
Enabler of Investment	Comment
<input type="checkbox"/> Focusing efforts on harmonization towards international standards through recognized international organizations (ICH)	
<input type="checkbox"/> A regulatory framework that allows for speedy introduction of new and innovative medical products into the market	
<input type="checkbox"/> A regulatory framework that is transparent, predictable, and science-based	
<input type="checkbox"/> An efficient clinical trial regulatory regime focused on safety, efficacy, and ethical standards	
<input type="checkbox"/> Adequate number and level of training programs for regulatory personnel	
<input type="checkbox"/> Proposed regulations are published, in print or electronically, for stakeholder comment	
<input type="checkbox"/> Stakeholder comment in response to proposed regulations are taken into account	
<input type="checkbox"/> Laws providing for stakeholder consultation throughout regulatory drafting and review process	
<input type="checkbox"/> Participation in the international joint clinical trial	
Performance Metrics	Measurement
Mean and median days required for approval of Standard New Chemical Entity (NCE)/New Molecular Entity (NME)	
Priority (or special review) granted to NCE/NME approval	
Average cost for New Drug Application (NDA) review fees, in US dollars	
Mean and median of total days for the approval of Investigational New Drug applications (IND) or Clinical Trial Authorizations (CTA)	
Number of IND/CTA's approved annually	
Mean and median of total days from a sponsors request for a pre-NDA consultation and the meeting	
Number of pre-NDA consultations (and type, if applicable) annually	
Average cost of clinical trials for pharmaceutical products, in US dollars	
Government funding levels for regulatory training exercises, in US dollars	
Number of days provided for stakeholder comment after initial publication of regulation	



A holistic and transparent approach to health care policy	
Enabler of Investment	Comment
<input type="checkbox"/> Established process for inter-agency coordination of life sciences policy and regulation	
<input type="checkbox"/> Mechanisms to align research activities with health priorities	
<input type="checkbox"/> Process for coordination of life sciences research priorities between national research agencies	
<input type="checkbox"/> Appropriate prioritization of the health needs of the population	
<input type="checkbox"/> Holistic approach to the value of innovation to allow for the speedy introduction of advanced medical products into the market	
<input type="checkbox"/> Recognition of the value of long-term health benefits that result from new and innovative medical products	
<input type="checkbox"/> Recognition that the value of new and innovative medical products is inherent and is not affected by externalities	
<input type="checkbox"/> Mechanism for inter-agency/ministry coordination of life sciences/health budgetary allocations in order to maximize returns to investment in health	
<input type="checkbox"/> Mechanisms for appropriate consultation with stakeholders regarding health budget prioritization and valuation of innovation, including academia, industry, and communities	
<input type="checkbox"/> Transparent government processes, including health budget setting and resource allocation, regulatory formulation, and investment policy formulation	
<input type="checkbox"/> Policies designed to promote early detection, prevention, and intervention model of health resource allocation	
<input type="checkbox"/> Health system infrastructure plan to support effective delivery of the innovative product or service to the patient	
<input type="checkbox"/> Introduction of pricing system appropriately evaluating innovation	
Performance Metrics	Measurement
Rules, laws or regulations that stimulate the introduction of innovations to market	
Frequency of review of medical products list or preferred drug list (i.e. annual)	
Number of stakeholder consultations held per review of each medical product	
Total number of innovative medical products available on the market	
Average number of new and innovative medical products coming to the market annually	
Average increase in life expectancy due to new medical product launches	
Foreign investment in R&D of innovative medicines	
Local investment in R&D of innovative medicines	
Percentage of national budget allocated to health	
Number of days notice given to stakeholders for health care and science policy reviews	
Strength of consultative process and engagement between government and innovators	
Number of patients effectively receiving innovative therapies	

## CTI Sub-fora's Collective Action Plan

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## TARIFFS AND NON-TARIFF MEASURES: COLLECTIVE ACTION PLAN for 2008

Objectives	Action	2008 work plan item
<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><i>Individual:</i> 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><i>Individual:</i> 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><i>Collective:</i> 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><i>Collective:</i> Continue work on sectoral issues of particular trade interest to members.</p>	<ul style="list-style-type: none"> <li>- Affirmed the importance of the principle of adhering to commitments made by ITA participants to provide duty-free treatment for products covered by ITA</li> <li>- Discussed possible MAG initiatives in a sectoral tariff elimination for electronics/electrical products in NAMA negotiations</li> <li>- Agreed on the substance of Singapore's proposal for Initiating an Environmental Goods and Services Work Programme Framework, and agreed to continue to work on the proposal for finalization</li> <li>- Discussed the objectives of environmental goods and services reference database</li> </ul>
(c) Arrange seminars and/or workshops in support for the multilateral trading system.	<p><i>Collective:</i> Organize seminars and workshops</p>	<ul style="list-style-type: none"> <li>- Organized in 2008 a workshop on IT/electronics industry</li> <li>- Organized in 2008 a workshop on environmental goods and services</li> </ul>
<b>B. Promotion of RTAs/FTAs</b>		
(a) Examine tariff/non-tariff aspects of	<p><i>Collective:</i> Undertake a program of activities promoting an enhanced understanding of rules of origins</p>	<ul style="list-style-type: none"> <li>- Worked with Chemical Dialogue on the possibility of harmonization of preferential</li> </ul>

Objectives	Action	2008 work plan item
preferential trade agreements.	(ROO) of preferential trade agreements.	ROO, as instructed by the REI <ul style="list-style-type: none"> <li>- Agreed on the US/Australia's proposal to conduct analytical work on preferential ROO with regard to specific sector(s) as instructed by REI</li> <li>- Worked with ABAC to further understand the outcomes of the Marshall study on ROO</li> </ul>
(b) Arrange seminars and/or workshops on RTAs/FTAs	<i>Collective:</i> Organize periodically seminars on RTAs/FTAs.	<ul style="list-style-type: none"> <li>- Took note of Australia and Indonesia's self-funded workshop for RTAs/FTAs negotiations to be held in Indonesia in October 2008.</li> </ul>
<b>C. Trade Facilitation and Transparency</b>		
(a) Pursue a series of seminars/policy discussions on non-tariff measures	<p><i>Collective:</i> Develop a program of workshops and seminars aimed at promoting a better understanding of non-tariff measures</p> <p><i>Collective:</i> Undertake capacity-building activities for economies with a view to reducing NTMs</p> <p><i>Individual and Collective:</i> Promote the implementation of the APEC transparency principles in the market access area</p>	<ul style="list-style-type: none"> <li>- Discussed the issue of remanufactured products</li> <li>- Agreed US organizes a self-funded workshop on remanufactured products in 2009</li> <li>- Took note of Japan's preliminary thoughts on Non-Tariff Measures</li> <li>- 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>
<b>D. Digital Economy and Strengthening Intellectual Property Rights</b>		N/A
<b>E. Investment</b>		N/A
<b>F. Other areas, including APEC-wide initiatives on secure trade, structural reform, capacity building, APEC Food System and gender</b>		
(a) Pursue a series of seminars /policy discussions APEC Food System	<i>Collective:</i> develop a program of workshops and seminars aimed at elaborating APEC Food System.	Organize a workshop on APEC Food System in 2009

## SERVICES: COLLECTIVE ACTION PLAN for 2008

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last implemented actions
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.	Foster closer co-operation and synergy with other APEC fora/groups	Ongoing	GOS organized (co-sponsored with CPDG and IDRC) a one-day conference on competition policy issues in services. The conference discussed competition policy, trade, and FDI interface.  GOS co-organize the trade policy dialogue on aspects of the relationship between Investment, trade in services and trade in goods.  The HRD project on educational services which contain a summary of various regulations affecting cross-border education services trade was presented to the GOS.
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	Ongoing  Completed	

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last implemented actions
	the IAP.  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.
c. Identification of measures affecting trade and investment in all service sectors.	Member economies to volunteer papers and studies in this area and consider cases of "best practices."  Implement the Policy Framework Follow-up on the MOO.  Survey of Trade Liberalization in Environmental Services  APEC Seminar on Trade in Health Services	Ongoing  Ongoing Ongoing  Ongoing  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 report is under way on the survey of trade liberalization in environmental services  GOS approved on the APEC seminar on trade in health services
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.	Discussion of possible actions or means to facilitate the provision of professional services in all member economies.  Update the APEC Directory on Professional Services.  APEC Legal Services Initiatives	Ongoing  Ongoing  Ongoing	    GOS discussed about creating links from the APEC website into the websites of members which contained the relevant information of their professional services.  GOS approved project on the survey of legal services regulations in APEC economies. The

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last implemented actions
			information is expected to be uploaded in the website when ready.
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</p> <p>Completed</p> <p>Completed</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	To provide networking opportunities for trade statistics compilers for exchange of information on the	Ongoing	GOS organized a seminar on Measurement of Services Trade (1-3 Oct 2008, Manila)

<b>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</b>			
<b>Collective Action</b>	<b>Steps to Implement</b>	<b>Time Frame</b>	<b>Last implemented actions</b>
	challenges of services trade data collection		
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 such process	Ongoing	
	Studies on the impact of liberalization on trade in services	Completed	GOS organized the APEC Seminar on the Impact of Liberalization on Trade in Services (28-29 October 2008, Jakarta)
	Survey of trade liberalization in environmental services	Ongoing	GOS is undertaking the survey of Trade Liberalization in Environmental Services
	Completion of services chapter for model measures for RTAs/FTAs	Completed	Extensive discussions in 2008 of draft model measures in GOS & CTI
IV. Where appropriate and possible to the WTO's work on services, including through:	Monitor WTO work through Watch Group	Ongoing	
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	More detailed consideration, including a possible workshop, in 2008 of issues related to the development of an emergency safeguard mechanism for services.	Ongoing	GOS co-organize the trade policy dialogue on aspects of the relationship between Investment, trade in services and trade in goods.



All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last implemented actions
b. Information exchange and technical assistance, to support GOS Members' preparations for successful participation in WTO services negotiations	APEC Training Seminar on Trade in Energy Services (21-23 July 2008, Manila)	Completed (2008)	
	Conference on Competition Policy Issues in Services (17 Aug 2008, Lima)	Completed (2008)	
	Capacity Building Seminar on Transnational Education Services (24-26 Sept 2008, Manila)	Completed (2008)	
	Capacity Building Seminar on the Measurement of International Trade in Services (1-3 October, Manila)	Completed (2008)	
	APEC Seminar on the Impact of Liberalization on Trade in Services (28-29 October 2008, Jakarta)	Completed (2008)	
	Survey of Trade Liberalization in Environmental Services	Ongoing	

## INVESTMENT: COLLECTIVE ACTION PLAN FOR 2008–2009

Action	Steps to Implement	Time Frame
<p><b>Transparency</b> <b>Short-Term</b></p> <p>A. Increase the transparency of APEC Investment regimes, especially via enhanced e-transparency</p>	<p>1. Promote accessibility and transparency in the formulation and administration of investment-related policies:</p> <p>a) Establish an APEC-wide website or e-portal to replace the hard copy publication the <i>APEC Investment Guidebook</i></p> <p>2. Establishing software networks on investment regulation and investment opportunities</p> <p>a) Explore ways to improve the state of statistical reporting and data collection</p> <p>b) Establish a single window or special enquiry point for all enquiries concerning investment policies and applications to invest</p> <p>c) Adopt a centralised registry of laws and regulations and make this available electronically.</p> <p>d) Apply new technology to improve information, application and approvals processes</p>	<p>2009–10</p> <p>Ongoing</p> <p>Ongoing</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. Discuss with ABAC ways to improve APEC investment environment to produce:</p> <p>a) statements on the importance of Transparency to Facilitate Investment, of Harmonisation of Rules to Facilitate Investment, and of Simplification of Approvals Processes to Facilitate Investment; and</p> <p>b) a Matrix of Successful Investment Facilitation Measures</p> <p>2. Maintain regular contact with ABAC and PECC and other relevant business organizations including:</p> <p>a) discuss at IEG meeting issues of relevance to IEG raised at ABAC's meetings and ABAC's</p>	<p>2009</p> <p>2009</p> <p>Ongoing</p>

Action	Steps to Implement	Time Frame
	<p>recommendations to Leaders in the previous year</p> <p>b) consider possible joint projects suggested by IEG or business organizations.</p> <p>3. Request input from ABAC and PECC on major APEC investment initiatives including through participation at IEG meetings and other IEG events such as workshops, seminars, or investment symposia</p> <p>4. Develop effective, reasonable cost mechanisms for resolving disputes including private arbitration services</p> <p>5. Examine and share APEC member economies' experience with responsible business conduct instruments.</p>	Ongoing
<p>C. Continue dialogue with appropriate international organizations dealing with global and regional investment issues</p>	<p>1. Establish a policy dialogue process with other international organisations, where appropriate</p> <p>a) Continue dialogue with the IMF and other relevant international organisations on ways to address the potential for protectionism with respect to the use of national interest screening and the transparency and treatment of sovereign wealth funds and other state-owned enterprises</p> <p>b) Continue dialogue with World Bank on <i>Ease of Doing Business</i> indicators</p> <p><b>Implement project</b> — <i>Doing Business - Investment at the Sub-National Level to Promote Economic Integration (Phase 1)</i> (CTI 35/2008T) (Australia)</p> <p>c) Continue dialogue with UNCTAD on current and emerging international investment issues with a view to undertaking joint studies and capacity building projects</p> <p><b>Implement project</b> — <i>APEC-UNCTAD Joint Capacity Building Project for Addressing Knowledge Gaps in the Use of Foreign Direct Investment (Stages 1 &amp; 2)</i> (CTI 03/2008A &amp; CTI 04/2008A) (Australia)</p> <p>d) Continue dialogue with OECD on current and emerging international investment issues with a view to undertaking joint studies and capacity building projects</p>	<p>2009</p> <p>2009</p> <p>Ongoing</p> <p>2008–09</p>

Action	Steps to Implement	Time Frame
<p><b>Study and Evaluation</b> <b>Short-Term</b></p> <p>D. Undertake an evaluation of the role of investment liberalization and facilitation in strengthening regional economic integration in the Asia-Pacific region for economic growth and development.</p>	<p><b>Consider further work arising from</b> <i>Enhancing Investment Liberalisation and Facilitation in the APEC Region: Reducing Behind-the-Border Barriers to Investment (published August 2007)</i></p> <p>Report back to CTI on measures taken to implement <i>APEC Regional Economic Integration Agreed Actions – key priorities and deliverables for 2008</i></p> <p>Consider extent to which existing peer review mechanisms assist in meeting APEC's strengthening regional economic integration objectives and options for improvement.</p>	Ongoing
<p>E. Study possible core elements between existing sub-regional arrangements relevant to investment</p>	<p>Review the investment provisions of current sub-regional arrangements including RTAs/FTAs, and identify possible core elements, including the relationships between these provisions.</p> <p><b>Implement project — Core Elements in International Investment Agreements Project (Phase II) (CTI 34-2008T) (New Zealand)</b></p>	2008–09
<p>F. 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. Take into account Leaders' Declarations since then.</p>	Ongoing
<p><b>Medium &amp; Long-Term</b></p> <p>G. Assess the merits of developing an APEC-wide discipline on investment in the light of APEC's own progress through the medium-term, as well as developments in other international fora</p> <p>H. Study the advantages and disadvantages of creating investment rules – bilateral, regional, or multilateral – with a view to fostering a more favorable investment environment in the Asia-Pacific region</p>	<p>To be determined in the light of progress with policy dialogue in the medium-term.</p> <p>Where feasible, contribute to SOM studies on ways and means to promote regional economic integration, particularly investment issues as they relate to :</p> <ul style="list-style-type: none"> <li>Identifying Convergences and Divergences in APEC's RTAs/FTAs; and</li> <li>Docking or Merging FTAs</li> </ul>	<p>Ongoing</p> <p>Ongoing</p>

Action	Steps to Implement	Time Frame
<p><b>Facilitation</b> <b>Short-Term and Continuing</b></p> <p>I. Undertake practical facilitation initiatives by:</p> <p>(i) Implement the Investment Facilitation Action Plan 2008-10 endorsed by Ministers Responsible for Trade in June 2008</p> <p>(ii) Progressively working towards reducing impediments to investments</p>	<p>IEG has identified three themes for priority attention</p> <p>a) e-transparency</p> <p>b) reducing investor risk through more certainty</p> <p>c) simplifying business regulation</p> <p>(Project proposals to address actions under the heading of these themes will necessarily relate to other areas of the CAP and will be noted there.)</p> <p>Establish monitoring and review mechanisms for investment policies, drawing on ABAC advice to improve the efficiency and effectiveness of investment procedures</p> <p>a) Explore the possibility of using the World Bank <i>Doing Business</i> indicators “Starting a Business”, “Registering Property”, “Enforcing Contracts”, “Protecting Investors”, and “Dealing with Licenses” as the basis for peer dialogue and benchmarking and measuring progress across APEC <b>Consider relationship to outcomes from project</b> — <i>Doing Business — Investment at the Sub-National Level to Promote Economic Integration (Phase 1) (CTI 35/2008T) (Australia)</i></p> <p>b) Study and share successful APEC economy experience for:</p> <p>(i) the dissemination of accurate market reputation information including creditworthiness and reliability; and</p> <p>(ii) the process for connecting to essential services such as telecommunications and utilities</p> <p><b>Implement project</b> — <i>Seminar on Good Governance on Investment Promotion (CTI 10/2008T) (Peru)</i></p> <p><b>Implement project</b> — <i>Seminar on Recent Trends on Investment Liberalisation and Facilitation in Transport and Telecommunications (CTI 09/2008T) (Peru)</i></p>	<p>2009-10</p> <p>2009</p> <p>2008–10</p> <p>2009–10</p> <p>2009–10</p> <p>2008</p>

Action	Steps to Implement	Time Frame
(iii) Initiating investment promotion and facilitation activities to enhance investment flows within APEC economies	<p><b>Implement project — APEC Infrastructure Development (Viet Nam)</b></p> <p><b>Consider implementation of self-funded project — Capacity Building to Enhance the Financing and Delivery of Infrastructure Projects with a Focus on Public-Private Partnerships and their Implementation (Australia)</b></p> <ol style="list-style-type: none"> <li>1. Establish indicators for monitoring the performance of the special inquiry points or Investment Promotion Agencies such as those set down by the Multilateral Investment Guarantee Agency / Foreign Investment Advisory Service</li> <li>2. Promote the role of policy advocacy within IPAs as a means of addressing the specific investment problems raised by investors including those faced by SMEs</li> <li>3. Implement capacity building program designed to benchmark and improve performance of member economy IPAs in specific areas under the IFAP</li> </ol> <p><b>Consider proposal from Thailand — Improving IPA Performance in Accessibility to Investors and Information Provision (Thailand)</b></p>	2009
<p><b>Economic and Technical Cooperation Short-Term</b></p> <p>J. Identify ongoing technical cooperation and capacity building needs in the Asia-Pacific region and organize training programs which will assist APEC economies in fulfilling APEC investment objectives.</p>	<ol style="list-style-type: none"> <li>1. Consider collective efforts to improve the efficiency and effectiveness of investment procedures and such as <ol style="list-style-type: none"> <li>a) Simplify, streamline and quicken investment regime and processes</li> <li>b) Where appropriate, establish “one-stop” approval authority, e.g. an active investment promotion agency with adequate funding</li> <li>c) Encourage and foster institutional cooperation and coordination</li> <li>d) Keep the costs to the investor of the investment approval process to a minimum</li> </ol> </li> <li>2. Share successful experiences of APEC economies in investment liberalization,</li> </ol>	<p>2009</p> <p>2009</p> <p>2009</p> <p>2009</p>

Action	Steps to Implement	Time Frame
	<p>facilitation and promotion in the APEC region through identifying key success factors including improved policies</p> <p><b>Implement project</b> — <i>Capacity Building for Sharing Success Factors of Improvement of Investment Environment (Japan)</i></p> <p><b>Implement project</b> — <i>Seminar for Sharing Experience of Improving Investment Policy (China)</i></p> <p>3 Enhance predictability and consistency in investment-related policies</p> <p>a) Establish accessible and effective administrative decision appeal mechanisms including where appropriate impartial “fast-track” review procedures</p> <p>4. Enhance planning, development and implementation of policies concerning international investment rules</p> <p>5. Identify other target areas for technical cooperation including ‘best practice’ policy/administrative frameworks.</p> <p>a) work cooperatively with APEC Study Centres, ABAC and international organisations to conduct training courses for officials in the use of innovative approaches to investment climate reform such as the Policy Framework for Investment and other similar diagnostic tools</p> <p><b>Implement self-funded proposal:</b> <i>Capacity Building to Enhance Investment Flows in and between APEC Regional Economies: governance and competition policy (Australia)</i></p> <p><b>Implement self-funded proposal:</b> <i>Capacity Building to Enhance Investment Flows in and between APEC Regional Economies: trade and tax policy (Australia)</i></p> <p>b) model measures for investment chapter of RTAs/FTAs</p>	<p>2008-10</p> <p>2009</p> <p>2010</p> <p>Ongoing</p> <p>Ongoing</p> <p>2008</p>
<p><b>Capacity Building Initiatives</b></p> <p>K. Undertake new activities that contribute to capacity</p>	<p>Identify the elements of capacity building to strengthen the economies of APEC member</p>	

Action	Steps to Implement	Time Frame
building.	<p>economies and undertake the following activities:</p> <ol style="list-style-type: none"> <li>1. How to prepare for trade and investment liberalization: <ul style="list-style-type: none"> <li><b>Implement project — Capacity Building for International Investment Agreements (CTI 02/2008T (USA))</b></li> </ul> </li> <li>2. Training of officials at all levels of government in the application of new technology to improve information, application and approval processes.</li> <li>3. Explore joint capacity building initiatives with other APEC fora/sub-fora: <ol style="list-style-type: none"> <li>a) <b>Consider outcomes of project — Capacity Building for Investment Liberalisation and Facilitation (HRDWG 01/2007T) (Japan)</b></li> <li>b) Consider implications for IEG of HRDWG's <i>Strategic Approach to Sustainable Capacity Building</i> project (Japan)</li> <li>c) Work on the Ease of Doing Business Indicators with SMEWG and EC <ul style="list-style-type: none"> <li><b>Implement project — EC-IEG Regulatory Reform Seminar (Singapore and Australia)</b></li> <li><b>Implement project — Capacity Building Seminar on Ease of Doing Business: enforcing contracts (under SMEWG Private Sector Development Program run by NZ) (Singapore)</b></li> </ul> </li> </ol> </li> </ol>	<p>2008</p> <p>2010</p> <p>2009</p> <p>2009</p> <p>2009–10</p>
<p><b>Menu of Options</b></p> <p>L. Ongoing improvements to the Menu of Options.</p>	<p>Cross-reference between the IAPs and Menu of Options.</p>	<p>Ongoing</p>



## STANDARDS AND CONFORMANCE: COLECTIVE ACTION PLAN FOR 2008

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
1	2	3	4	5	6	7	8
1.Alignment (03 actions)							
Align APEC economies' domestic Standards with international standards	1) Member economies to align their standards with international standards in the area of IEC standards for electrical equipment. particularly those used in the IECEE CB Scheme	2006/ Japan	2006	2010	All the participated economies achieve 100% alignment in the 2006–2010 VAP activity.	in process	As of 1 Jan 2006, nine economies out of 13 participated economies reported having completed their alignment work.
	2) Member economies to provide information for the VAP on the voluntary and mandatory standards (technical regulations) as of 1 January 2008 according to agreed new VAP format and VAP work program 2008 by may 2008	2007/ Japan	2008	2008	All 21 economies provide their information.		As of 12 June 2008, ten economies have submitted their VAP reports.
	3) The SCSC to continue identifying additional priority areas for alignment with international standards.	1997/ Japan	From 1997	Ongoing	To identify additional priority areas for the VAP alignment work.	in process	Japan has been conducting a survey to identify economies' /industries' needs. The result has been reported at SCSC2 meeting in August 2008.

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
2. Good Regulatory Practice (01 actions)							
	1) The SCSC to continue to investigate means of enhancing regulatory practices in the APEC region through a program of case studies, seminars and organization of SCSC conference on GRP and SCSC conference on Standards and Conformance in conjunction with SCSC Meeting	2000/ Host economy	From 2000	Ongoing	- means of enhancing regulatory practices recommended for implementation	in process	
3. Recognition of Conformity Assessment (7 actions)							
	In regulated sector:						
Achieve recognition of conformity assessment including mutual Recognition arrangements in regulated and voluntary sectors	1) Member economies to consider participation in the Arrangement for the Exchange of Information on Toy Safety and encourage the involvement of their regulators. (16 economies)	1996/ Australia	From 1996	Ongoing	- Increased number of interested member economy participating in exchange of information on toy safety - Increased number of regulators involved in the process - Harmonization of technical regulation on toy safety is carried out	in process	

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
	2) The SCSC to develop recognition arrangements of conformity assessment	1997/ Australia	From 1997	Ongoing	- To continue identify additional priorities areas for development of recognition arrangements of conformity assessment in SCSC	in process	
	3) Member economies to consider participation review and improve its effectiveness in the APEC Mutual Recognition Arrangement on Conformity Assessment of Foods, Food recalls, Sectoral food MRA	1997/ Australia China, Thailand	From 1997	Ongoing	- review yearly participation and its effectiveness in Food , food recall and Sectoral food MRA - implementation of the measures to improve the effectiveness participation	in process	
	4) Member economies to consider participation review and improve its effectiveness in the MRA of conformity assessment of Electrical and Electronic Equipment, Toy Safety and encourage the involvement of their regulators.	2000/ Singapore, Australia	From 2000	Ongoing	- Review yearly participation and its effectiveness in EEE, toy safety MRAs - regulators participation of all member economies in EE & Toy safety MRAs	in process	

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
	5) The SCSC to continue to further consider additional priority areas for MRA in the regulated sector.	1997/ Japan	From 1997	Ongoing	Not applicable	Completed	Japan reported the outcomes of a case study in each economy's MRA at SCSC2 in 2006. No specific sectors were found as additional priority areas for MRA by the case study.
	6) The SCSC to consider alternative mechanisms to facilitate the recognition of conformity assessment results.	1999/ Australia	From 1999	Ongoing	- Alternative mechanisms suggested and approved for facilitating the recognition of conformity assessment results	in process	
	Voluntary sector:						
	1) Member economies to encourage participation in APLAC-MRA, PAC MLAs and CIPM Global MRA.	1998/ Australia	From 1998	Ongoing	- Increased number of member economies participating in MRAs	in process	

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
4. Technical Infrastructure Development (6 actions)							
Promote cooperation for technical infrastructure development to facilitate	1) Member economies to strengthen participation in Specialist Regional Bodies activities.	1996/	From 1996	Ongoing	<ul style="list-style-type: none"> <li>- Increased number of member economies participating in SRBs</li> <li>- Active participation in SRBs activities strengthened</li> </ul>	in process	
broad participation in promote cooperation for technical infrastructure development	2) The SCSC to support and actively participate in APEC/SCSC Conferences on Standards and Conformance.	2006 Host economy	2006	Ongoing	<ul style="list-style-type: none"> <li>- SCSC to organize the conference in every 02 years</li> <li>- SCSC support host economies in encouraging all member economies actively to take part in conference and to provide speakers for conference</li> </ul>	in process	
to facilitate broad participation in mutual recognition arrangements in both regulated and voluntary	3) Member economies to support and actively participate in APEC Conferences on Good Regulatory Practice.	2006/ Host economy	2006	Ongoing	<ul style="list-style-type: none"> <li>- SCSC to organize the conference in every 2 years</li> <li>- all member economies actively to take part in conference</li> <li>- Member economies to provide speakers for conference</li> </ul>	in process	

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
sectors	4) The SCSC to undertake the following technical infrastructure projects:		From 2006	2010			
	APEC Strategic Standards Education Program: Phase II – Textbooks and Teaching manuals development	2006/ Korea	2008	6/2009	To be reported by Lead economy (Korea) in the final report of the project implementation	In process	
	Seminar on understanding and implementing the APEC EE MRA	2007/ Singapore	2008	2008	To be reported by Lead economy (Singapore) in the final report of the project implementation	In process	
	Seminar and Training Courses in Legal Metrology	2007/ China	2008	2009	To be reported by Lead economy (China) in the final report of the project implementation	in process	
	Seminar on National Food Safety System	2007/ China	2008	2009	To be reported by Lead economy (China) in the final report of the project implementation	in process	
	Experience exchange in the adoption of international instruments and standards	2007/ Peru	2008	2008	To be reported by Lead economy (Peru) in the final report of the project implementation	in process	
	HACCP Cooperation Among APEC Members (CTI 20/2008T)	2005/ China	2008	2008	To be reported by Lead economy (China) in the final report of the project implementation	in process	

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
	5) The SCSC to support capacity building oriented to training business, especially SMEs, improving their knowledge, expertise and skills on standards and conformance matters, including public consultation	2003/ Chile and Brunei Darussala m	From 2003	On -going	- Capacity building program approved for implementation - Encouraging member economies to provide inputs for training program	in process	
	6) Member economies to support the implementation of work plan for improving SMEs access to standards and conformance information.	2006/ Chile- Brunei Darussala m	2006	On-going	- Member economies actively participating in work plan implementation	in process	
5. Transparency (02 actions)							
Ensure the transparency of the standards and conformity assessment of APEC economies	1) Member economies to update the APEC Contact Points for Standards and Conformance Information, including member economies' participants in the Specialist Regional Bodies and member economies SCSC Contact Points. Member economies agreed that this information should be maintained on the APEC Secretariat's homepage.	1997	From 1997	On-going	- Contact point for Standards and conformance of economies is updated - The information on the member economies contact point for Standards and conformance is maintained on the APEC Secretariat's homepage	in process	
	2) Member economies to endeavour to establish Internet websites to disseminate standards and conformance information.	1997	From 1997	On-going	The internet website to disseminate standards and conformance information is established by member economies	in process	

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
6. Cooperation with Specialist Regional Bodies (01 actions)							
	1) SCSC to pursue closer cooperation with the Specialist Regional Bodies (SRBs)	2000/ Indonesia	From 2000	On-going	<ul style="list-style-type: none"> <li>- To facilitate the development and implementation of standards and conformance infrastructures in each APEC member economy with assistance of the SRBs - - SRBs program is more effectively realized through the active support of the APEC SCSC.</li> <li>- SCSC Encourage regulators in the APEC economies to use and develop standards and conformance infrastructure to be linked with SRBs for achieving good regulatory practice and minimize barriers to trade.</li> </ul> <p>Industry should also be encouraged to use the standards and</p>	in Process	SCSC has endorsed the SRB strategic Plan (5 years) for Technical Infrastructure Development in Support of Trade Facilitation in APEC Economies at SCSC Meeting, in February 2008.



OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
					conformance infrastructure. Engagement by the APEC SCSC with the APEC Business Advisory Council (ABAC) is encouraged and the SRBs have begun a dialogue with the ABAC to better understand industry needs in the region.		
7. Cooperation with International Bodies ( 03 actions)							
	1) Member Economies to promote the Notification Authorities and National Enquiry Points under the SPS and TBT Agreements of the WTO			Ongoing	Relevant information provided to public.	Completed	Relevant information has been uploaded on the APEC SCSC Website
	2) The SCSC to monitor the developments within the WTO Committees on the TBT and SPS and discuss implementation issues.	2001/ Japan- China	From 2001	Ongoing	SCSC be kept informed on and contribute to TBT/SPS activities.	in process	Japan and China report TBT/SPS discussions at each SCSC meeting as to SCSC could monitor and contribute to these Committees' developments.

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
	3) The SCSC to encourage member economies to actively joint in ISO, IEC, ITU, IAF, ILAC, OILM, CGMP activities.	2003/ Japan	From 2003	Ongoing	Increased number of participating member economies.	in Process	Japan has been conducting a survey to identify the status of each economy's membership and its business' participation in ISO, IEC and JTC1.
8. Cooperation with Other APEC Fora (03actions)							
	1) The SCSC to pursue further coordination with other APEC fora.	2001/	From 2001	Ongoing	- The coordination activities with other APEC fora to be considered in SCSC program	in Process	
	2) The SCSC to implement work plan on the promotion of the interaction with Business in SCSC's activities, including:	2006/ Viet Nam	2006	Ongoing		In process	
	a) Involvement of the business in the SCSC's conferences on GRP and SCSC's conference on Standards and Conformance	Japan	2008	Ongoing	- Business' participation increased; - Information circulated and shared	In process	

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
	b) Participation of business in the national and international technical committees (TCs) and Sub-committees (SCs)	Japan & Indonesia	2008	Ongoing	<ul style="list-style-type: none"> <li>- Update information on the involvement of APEC business in the national &amp; international standardization process</li> <li>- Reporting the update information of the involvement of APEC business in national and international standardization.</li> </ul>	In process	
	c) ABAC/Industry-SCSC dialogue on specific SCSC's activities interested by business at SCSC conferences and meetings	Host economy	2008	Ongoing	<ul style="list-style-type: none"> <li>- The Dialogue organized with participation of representatives from NSBs, businesses and ABAC.</li> </ul>	In process	
	d) Supporting business in using IT for exploring and updating the information on standards, technical regulation and conformity assessment	Singapore	2008	2009	<ul style="list-style-type: none"> <li>- Enhancement of IT use in standards and conformance through experiences sharing</li> </ul>	In process	
	e) Identification of business expectations on new priority areas of standards alignment	Japan	2008	2008	<ul style="list-style-type: none"> <li>- Questionnaire prepared and distributed</li> <li>- Report at SCSCII-2008</li> </ul>	In process	

OAA Objectives	Actions	Year of CAP/ Lead economy	Starting year	Target year Developed/ developing	Target outcomes (Quantitative/ Qualitative)	Status Completed/ in process	Remarks
	g) to develop strategy for promoting the interaction between SCSC and business in standards and conformance activities through conducting the APEC/ TILF funding project	Viet Nam & US	2008	2009	<ul style="list-style-type: none"> <li>- The strategic plan for have been prepared and endorsed by SCSC for implementation in the coming years</li> <li>- Experience-sharing workshop for discussion of the Strategic plan have been organized with Participation of ABAC, Business, SRBs and related stake-holders</li> </ul>	In process	
	3) The SCSC to hold Policy Dialogue sessions on standards and conformance and follow-up the policy implications arising from them	2002/ Host economy	From 2002	Ongoing	<ul style="list-style-type: none"> <li>- Reflecting policy dialogue on S &amp; C and follow-up actions in work plan of SCSC</li> </ul>	In process	
9. Reform of SCSC							

NOTE:

- Guide to use the column
  - Column 3. Year of CAP: to indicate the year CAP approved
  - Column 6. Target outcomes: Lead economy for the action to fix the results expected to be achieved by SCSC or member economies at target year using the principles suggested by Project CT116-2006T. The outcomes should be quantitative attainable and qualitative scientific
  - Column 7. Status: to indicate the current status of CAP implementation (already completed or still in processing)
  - Column 8. Remarks: specific explanation, remarks to the action
- SCSC TF CAP is the subject to update annually

## CUSTOMS PROCEDURES: COLLECTIVE ACTION PLAN FOR 2008

### Status of CAP Items Stage 1 and 2

<b>Project</b>	<b>CAP Leader</b>	<b>Co-Leaders</b>	<b>Current CAP</b>	<b>Status Update/Comments</b>
<b>Harmonization of Tariff Structure with the HS Convention</b>	<b>Japan</b>	<b>Korea and Papua New Guinea</b>	<b>Stage 2</b>	Technical assistance is on-going. Most recent assistance will take place on 8/25 and 8/29/08. Item remains in Stage 2.
<b>Simplification and Harmonization on the Basis of the Revised Kyoto Convention</b>	<b>New Zealand</b>	<b>Japan</b>	<b>Stage 1</b>	No requests for assistance. Item remains in Stage 1.
<b>Harmonized APEC Data Elements</b>	<b>Canada</b>	<b>Australia</b>	<b>Stage 1</b>	Technical assistance is on-going. October 2009 workshop is planned.
<b>Integrity</b>	<b>Australia</b>	<b>Hong Kong, China</b>	<b>Stage 2</b>	All Stage 2 items have been met. Propose moving to Stage 3. With any new work identified, a new CAP item can be developed.
<b>Implementation of APEC Framework Based on the WCO Framework of Standards to Secure and Facilitate Global Trade</b>	<b>United States</b>	<b>China</b>	<b>Stage 1</b>	Three seminars in support of the Implementation of the APEC Framework completed in 2007-2008. More work remains to be done, however, so CAP item remains in Stage 1.
<b>Time Release Surveys (TRS)</b>	<b>Japan</b>	<b>Indonesia, Korea</b>	<b>Stage 1</b>	Technical assistance is on-going with workshops planned for Philippines and Brunei.

## INTELLECTUAL PROPERTY RIGHTS: COLLECTIVE ACTION PLAN FOR 2008

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
<p>(a) Deepening the Dialogue on Intellectual Property Policy</p> <ul style="list-style-type: none"> <li>- FTA/ RTA on IP Chapter</li> <li>- Exchange of development of IP-related policies</li> <li>- Strengthening the IPR system</li> <li>- Appropriate protection of IPR in emerging fields, including but not limited to the following:               <ul style="list-style-type: none"> <li>o Protection for Biotechnology and Computer-related Inventions</li> <li>o Protection for Geographical Indications</li> <li>o Electronic commerce</li> <li>o Genetic resources and traditional knowledge</li> <li>o Plant variety protection systems</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>1. <u>Australia</u> presented an update on the RTA/ FTA matrix, which help support the goal of economic integration in this region.</li> <li>2. <u>Peru</u> will organize a seminar titled "Raising Awareness and Providing Policy Insights on Promoting Appropriate Access to Genetic Resources and Protection of Traditional Knowledge in APEC Economies" (CTI 23/2008T)</li> <li>3. <u>Japan</u> will organize a seminar titled "International Seminar on Plant Variety Protection System" (CTI 25/2008T)</li> <li>4. <u>The US</u> has been conducting an APEC IPEG Survey on Opposition Proceedings.</li> <li>5. <u>Chile</u> reported on the preliminary findings of the first phase of self-funded APEC IPEG survey on copyright limitations and exception. The second phase will be to collect information on models or practices to identify the need for limitations and exceptions in each economy.</li> <li>6. <u>The US</u> proposed an APEC Satellite and Cable Signal Theft Initiative. [<i>Proposal to be considered further</i>]</li> </ol>	<p>Ongoing. Economies which have not responded were requested to make their contributions to the matrix.</p> <p>Completed. The seminar was successfully held on 13–14 August 2008 in Lima, Peru. An interim report of the associated survey was presented.</p> <p>Ongoing. The seminar will be held on 7 November 2008 in Jakarta, Indonesia.</p> <p>Ongoing. Economies which have not responded are encouraged to make their contributions.</p> <p>Ongoing. Economies which have not responded are encouraged to make their contributions to the report of the first phase project.</p> <p>Under consideration. IPEG endorsed that the proposing economy to consult TELWG for possibility of organizing an IPEG-TEWLG meeting focusing on the topic in future.</p>
<p>(b) Support for Easy and Prompt Acquisition of Rights:</p> <ul style="list-style-type: none"> <li>- Participation in International IP-related Systems</li> <li>- Establishing Internationally Harmonized IPR Systems</li> <li>- Cooperation on Searches</li> </ul>	<ol style="list-style-type: none"> <li>1. <u>Japan</u> proposed a survey on Patent Examination Co-operation Practices among APEC economies. Patent examination cooperation is one of the action items under the APEC Cooperation Initiative on Patent Acquisition Procedures which had been</li> </ol>	<p>Ongoing. IPEG endorsed the content of questionnaire and the survey will be conducted accordingly.</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
<p>and Examinations</p> <ul style="list-style-type: none"> <li>- APEC Cooperation Initiative on Patent Acquisition Procedures (The launching of the initiative was included in REI Action Plan 2008)</li> </ul>	<p>published in the CTI 2007 annual report.</p> <ol style="list-style-type: none"> <li>2. <u>The US</u> proposed a roadmap for further cooperation on this initiative. <i>[Proposal to be considered further]</i></li> </ol>	<p>Under consideration. Members are encouraged to provide feedback on this paper for further refinement with an aim to endorse inter-sessionally.</p>
<p>(c) Electronic Processing of IPR-related Procedures:</p> <ul style="list-style-type: none"> <li>- Electronic Filing Systems</li> <li>- Dissemination of Information by Electronic Means</li> </ul>	<ol style="list-style-type: none"> <li>1. <u>Members</u> are encouraged to better use of the APEC online resources, particularly APEC Information Management Portal (AIMP), and the renewed IPEG education websites.</li> </ol>	<p>Ongoing.</p>
<p>(d) Cooperation for Improvements to the IP Systems and Its Operation, including capacity buildings, co-operation with other fora /authorities/ stakeholders</p>	<ol style="list-style-type: none"> <li>1. <u>Australia and China</u> agreed to work jointly on an Initiative on strategic consideration of IPR Capacity Building Requirements in APEC Economies and to refine the proposal.</li> <li>2. <u>China</u> proposed a survey on Prevention of Abuse of IP Rights to study what legal measures existed in APEC economies to prevent abuse of their legal rights by IP owners. <i>[Proposal to be considered further]</i></li> <li>3. <u>China</u> proposed an APEC IPEG Seminar on Practices of IPR Protection in Standardisation. <i>[Proposal to be considered further]</i></li> <li>4. Invitation to WIPO for a presentation on “WIPO Activities and Capacity-Building in the Asia Pacific Region” at the 27th IPEG meeting.</li> <li>5. Invitation to IFLA (The International Federation of Library Associations and Institutions) for a presentation on “The Digital Library Initiatives with a Focus on the IP Aspects” at the 27th IPEG meeting.</li> </ol>	<p>IPEG agreed to the survey. However, the content of the survey will be refined for endorsement by the group before circulation.</p> <p>Under consideration. Member economies were encouraged to provide feedback inter-sessionally.</p> <p>Under consideration. IPEG agreed to support the proposing economy to consult APEC subfora SCSC and CPDG with this paper.</p> <p>Completed. Two WIPO representatives attended the meeting and a comprehensive presentation was delivered.</p> <p>IFLA was unable to make a presentation as IPEG requested, yet submitted an information paper “The IFLA Position on Copyright in the Digital Environment” to the 27th IPEG meeting. IPEG agreed</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
		to seek CTI's endorsement for extending an invitation to IFLA for participation at the 28th IPEG meeting in Singapore.
<p>(e) Establishing Effective Systems for IPR Enforcement:</p> <ul style="list-style-type: none"> <li>- Exchange of Information Concerning IPR Infringement</li> <li>- Other enforcement related matters</li> </ul>	<ol style="list-style-type: none"> <li>1. Following the 1st IPEG-SCCP Joint Session, IPEG agreed to allow economies to have sufficient time to reflect upon the outcomes from it before deciding whether, when, and in what format the next IPEG-SCCP joint session should take place. Member economies were also encouraged to enhance communication with their own enforcement agencies within their home economy.</li> <li>2. <u>Japan</u> presented an initiative on developing a platform for information sharing on IPR infringement. It agreed to start a dialogue inter-sessionally. <i>[Proposal to be considered further]</i></li> </ol>	<p>Ongoing. Japan will consider the ways of achieving additional progress.</p> <p>Under consideration. IPEG noted and supported that Japan, Peru and other individual economies with interest would work together to assess the feasibility of this project and report back to IPEG.</p>
<p>(f) APEC Anti-Counterfeiting and Piracy Initiative, with the following four key objectives:</p> <ul style="list-style-type: none"> <li>- Reduce Trade in Counterfeit and Pirated Goods</li> <li>- Reduce Online Piracy</li> <li>- Increase Cooperation to Stop Piracy and Counterfeiting</li> <li>- Increase Capacity Building to Strengthen Anti-Counterfeiting and Piracy Enforcement</li> </ul> <p>As of 2007, IPEG developed six sets of IPR model guidelines.</p>	<ol style="list-style-type: none"> <li>1. <u>The US</u> gave an oral update on the Best Practice Paper on Innovative Techniques for IPR Border Enforcement.</li> <li>2. <u>Japan</u> provided an update on implementation templates for the IPR Guidelines adopted under 2005 Anti-counterfeiting and Piracy Initiative.</li> <li>3. <u>The US</u> intends to organize a self-funded workshop on securing supply chain integrity, including implementation of the IPEG model guidelines on securing supply chain.</li> </ol>	<p>Ongoing. Member economies were encouraged to update and continue make contributions to the paper.</p> <p>Ongoing. Member economies were encouraged to provide updates and continue to contribute to the templates so as to finish them inter-sessionally before the 28th IPEG meeting.</p> <p>Ongoing. Hong Kong, China is the co-sponsor of the project. The workshop will be held in Hong Kong. The organiser will announce the dates of workshop in due course.</p>
<p>(g) Promoting IP Asset Management and Utilisation in</p>	<ol style="list-style-type: none"> <li>1. <u>Korea</u> put forward a concept paper on cooperation in IP Creation and</li> </ol>	<p>Under consideration. The proposing</p>



Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
APEC Economies	<p>Utilization, which includes a survey leading to possible development of measures to promote creation of IP by enterprises in the APEC Region. <i>[Proposal to be considered further]</i></p> <p>2. <u>Japan</u> presented the progress of establishment of IPR Service Centers.</p>	<p>economy is revising its proposal internally and will re-submit it to IPEG in due course.</p> <p>Ongoing. Any members with updated information were encouraged to submit it to Japan for consolidation with an aim to provide latest information to the APEC IPEG website.</p>
(h) Facilitation of Technology Transfer through Ensuring IP Protection	<p>1. There are no special actions at present.</p>	
(i) Raising Public Awareness	<p>1. <u>Viet Nam</u> presented a proposal on APEC IP Awards.</p> <p>2. <u>Australia, Singapore and Hong Kong, China</u> will co-organise a workshop titled, "APEC IPR Public Education and Awareness Program for SMEs" (CTI 06/2008T)</p>	<p>IPEG endorsed this proposal at the 27th meeting and would submit it, together with other endorsed proposals to CTI for approval.</p> <p>Ongoing. The workshop is planned to be held in Melbourne, Australia in April 2009.</p>

## GOVERNMENT PROCUREMENT: COLLECTIVE ACTION PLAN FOR 2008

	Objectives	Actions	Status/Target Date
<b>A</b>	<b>Support for the multilateral trading system</b>		
	Exchange of Information with WTO GPA	Continue to monitor the WTO GPA activities	Ongoing
	Share and discuss GPEG members' experience with regional and bilateral free trade agreements in the area of government procurement	Member economies are encouraged to provide updates where appropriate	Ongoing
<b>B</b>	<b>Trade facilitation</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	Member economies are encouraged 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	Korea will host "APEC-wide Government Procurement Market Accessibility Seminar"	2009
<b>C</b>	<b>Establishment of e-procurement guidelines</b>		
	To work out guidelines to help member economies develop e-procurement systems suitable for their infrastructures	To collect information from member economies regarding their own e-procurement infrastructure	Ongoing
	Development of KPI for government procurement	Continue to conduct research on key performance indicators to gauge the overall performance of government procurement	Ongoing
<b>D</b>	<b>Other areas</b>		
	To build greater links with the business sector and other stakeholders	To build a closer relationship with the SME Working Group	Ongoing
		To increase accessibility by business to information on AIMP	Ongoing
		To form a working relationship with ABAC to build better ties with the business community, particularly in regard to transparency	Ongoing
		The APEC Communications Unit to	Ongoing

	<b>Objectives</b>	<b>Actions</b>	<b>Status/Target Date</b>
		disseminate information to Business	
	To contribute to the mid-term review of progress toward the 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
	To contribute to APEC reform agenda	To examine ways to reduce duplication in reporting on government procurement including in IAP templates	Ongoing

## MOBILITY OF BUSINESS PEOPLE: COLLECTIVE ACTION PLAN FOR 2008

OAA Objectives	Action	Time Frame
<b>Collective Actions</b> <b>APEC economies will:</b>		
<p style="text-align: center;">EXCHANGE INFORMATION</p> <p>Exchange information on regulatory regimes in regard to the mobility of business people in the region, including through regularly updating the information in the online <i>APEC Business Travel Handbook</i>.</p>	<p>Members to continue to regularly update the online <i>APEC Business Travel Handbook</i> 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.</p>	Ongoing
	<p>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.</p>	Ongoing
	<p>Members to continue to implement enhancements to the online <i>APEC Business Travel Handbook</i> 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.</p>	Ongoing

OAA Objectives	Action	Time Frame
<p style="text-align: center;"><b>SHORT-TERM BUSINESS ENTRY</b></p> <p>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>	<p>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.</p>	<p>Ongoing</p>
	<p>Continue to support ABAC's aim of expanding the APEC Business Travel Card (ABTC) scheme to all remaining non-participating economies.</p> <p>The BMG agreed to Canada becoming the 20<sup>th</sup> member of the ABTC scheme and second Transitional Member at SOMIII 2008.</p>	<p>Ongoing</p>
	<p>Members to report to BMG meetings on progress in implementing e-commerce facilities (standing item).</p>	<p>Ongoing</p>

OAA Objectives	Action	Time Frame
<p align="center"><b>BUSINESS TEMPORARY RESIDENCY</b></p> <p>Implement streamlined temporary residence processing arrangements for the intra company transfer of executives, senior managers and specialists, as defined by individual economies.</p>	<p>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 continue to report on processing times (standing item). <i>By end 2008, vast majority of members (19) have implemented the agreement.</i></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></p> <p>Develop and implement the mutually agreed standards and benchmarks essential to capacity building and engage in the capacity building initiatives necessary to provide streamlined visa application and immigration entry, stay and departure processing.</p>		
	<p>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>

OAA Objectives	Action	Time Frame
	<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><b>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.</b></p> <p>At SOM III 2004 the BMG agreed that all 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.</p> <p><i>As at end 2008, at least 16 economies have introduced MRTDs and at least 10 have introduced a biometric MRTD.</i></p> <p><b>Biometrics</b></p> <p>The BMG received funding from the BMC (March 2006) to undertake a TILF funded project to build</p>	<p>Phase One completed July 2003</p> <p>Phase 2 completed by March 2004</p> <p>Ongoing with implementation by end 2008, on a best endeavours basis.</p> <p>Project completed July</p>

OAA Objectives	Action	Time Frame
	<p>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><b>At SOM III 2006, Members agreed to a TILF funded project to produce a reference document</b> 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><b>At SOM III 2007, Members agreed to Peru leading a TILF funded project for a workshop on ‘Frequent Passenger Programs’ in Lima SOM III 2008.</b></p> <p>The purpose of this workshop is to deliver information from industry and economy expert on the developments in biometrics at the border and advantages of frequent passenger programs. <i>Twenty economies attended the workshop.</i></p>	<p>2006.</p> <p>Project completed August 2007</p> <p><i>Project successfully completed SOM III 2008</i></p> <p><i>Project to take place on margins of SOM I 2009</i></p>



OAA Objectives	Action	Time Frame
	<p><b>At SOM III 2008, Members agreed to Australia leading a TILF funded project for an editorial workshop to draft an 'Governance Framework for an e-ABTC' on the margins of SOM I 2009.</b></p> <p>Working Group members will develop a governance framework for the e-ABTC. This document would describe the business processes and standards required for enrolment and would identify relevant legal, policy and technical issues.</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>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), Vietnam (Oct 05), Brunei (Feb 06) and Peru (July 2006) <i>To date, 15 economies</i></p>	Ongoing

OAA Objectives	Action	Time Frame
	<p><i>have either implemented or have announced their commitment to implementing an API system, including: Australia; Canada; China; Hong Kong, China; Indonesia (planning); Korea; Japan; Malaysia; Mexico; New Zealand; Philippines (planning); Chinese Taipei; Thailand; the United States; and Viet Nam (planning).</i></p>	
	<p><b>Immigration Legal Infrastructure Standards</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. <i>As at end 2008, almost half of all economies have implemented legal immigration standards.</i></p>	<p>Standards ratified February 2004. Implementation ongoing.</p>
	<p><b>Regional Movement Alert System (RMAS)</b></p> <p>The BMG conducted a pilot Regional Movement Alert System (RMAS) and a report presented to Leaders in 2006. The RMAS pilot has enhanced border security and facilitated the travel of genuine business travelers.</p>	

OAA Objectives	Action	Time Frame
	<p><b>RMAS Multi-Lateral Framework</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>At SOM III 2006, positive validation of the travel document as part of RMAS was announced. Work continues on implementing this function.</p> <p><i>Work is progressing on an internet-based RMAS which will enable other economies to join RMAS – a pilot may be conducted to test the system in 2009.</i></p>	<p>Completed and endorsed September 2006.</p> <p><i>RMAS can determine whether a passport is recognised by its issuing authority as having been validly issued.</i></p> <p><i>Possible pilot of internet-based RMAS - 2009</i></p>

OAA Objectives	Action	Time Frame
	<p><b>Contribution to Interpol ICPO Database</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. <i>As at end 2008, 14 economies now contribute data to the ICPO database.</i></p>	Ongoing
	<p><b>Dialogue with ABAC and Business Community</b></p> <p>BMG continues to liaise with and brief ABAC members on meeting outcomes and to attend ABAC meetings on invitation. During 2008, the BMG considered further recommendations by the ABAC to improve the operation of the card and to address growth issues. Two working groups were formed to address these concerns of ABAC. The BMG will continue to consult closely with the ABAC, and ABAC members attended all BMG meetings in 2008.</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

OAA Objectives	Action	Time Frame
	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.	Ongoing
	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.	Ongoing

## Glossary of Terms

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ABAC	APEC Business Advisory Council
ABTC	APEC Business Travel Card
ACBD	APEC Customs-Business Dialogue
AD	Automotive Dialogue
AEO	Authorized Economic Operators
API	Advance Passenger Information
BMG	Business Mobility Group
CAP	Collective Action Plans
CBPRs	Cross-Border Privacy Rules
CBSG	Capacity Building Steering Group
CD	Chemical Dialogue
CRMs	Certified Reference materials
CTI	Committee on Trade and Investment
DDA	Doha Development Agenda
EC	Economic Committee
ECSG	Electronic Commerce Steering Group
EEMRA	Electrical and Electronic equipments
EGS	Environmental Goods and Services
EODB	Conduct Ease of Doing Business
ETS	Enhanced Trade Solutions
FoTC	Friend of the Chair
FSCF	Food Safety Cooperation Forum
<i>FTAAP</i>	Free Trade Area of the Asia Pacific
GAAP	Generally Accepted Accounting Principles
GATT	General Agreement on Tariffs and Trade
GATT	<i>General Agreements on Tariff and Trade</i>
GHS	Globally Harmonized System
GHTF	Global Harmonization Task Force
GOS	Group on Services
GPEG	Government Procurement Experts Group
ICPO	International Criminal and Police Organization
ICT	Information and Communication Technology
IEG	Investment Experts Group
IPEG	Intellectual Property Rights Experts Group
IPR	Intellectual Property Rights
ITA	Information Technology Agreement
KPIs	Key Performance Indicators
LSIF	Life Sciences Innovation Forum
LSRA	Life Sciences Readiness Assessment
MAG	Market Access Group
MFN	most-favoured-nation
MLF	Multi-lateral Framework

MRA	Mutual Recognition Arrangement
MRT	Ministers Responsible for Trade
MTF	Mining Task Force
NAMA	Non-Agriculture Market Access
NBP	Non-Binding Principle
NTMs	Non-Tariff Measures
OAA	Osaka Action Agenda
PCT	Patents Cooperation Treaty
PSU	Policy Support Unit
PTIN	Partnership Training Institute Network
PVP	Plant Variety Protection
REACH	Registration, Evaluation, and Authorization of Chemicals
REI	Regional Economic Integration
RFID	Radio Frequency Identification
RMAS	Regional Movement Alert System
ROO	Rules of Origin
RTAs/FTAs	Regional Trade Arrangements/Free Trade Agreements
SAICM	Strategic Approach to International Chemicals management
SCSC	Sub-committee on Standards and Conformance
SWWG	Single Window Working Group
TBT	Technical Barriers to Trade
TBT	<i>Technical Barriers to Trade</i>
TFAPII	Second Trade Facilitation Action Plan
TILF	Trade and Investment Liberalisation
TPD	Trade Policy Dialogue
TRS	Time-Release Survey
UCR	Unique Consignment Reference
UNCTAD	United Nations Conference on Trade and Development
VAP	Voluntary Action Plans
WCO	World Customs Organization
WWTG	World Wine Trade Group