

## GROUP ON SERVICES (GOS)

### *Report for the*

## CTI ANNUAL REPORT TO MINISTERS

### For AMM's information

#### (a) Key outcomes and achievements in 2022

- A cross-fora and industry dialogue focused on the progress of the APEC Services Competitiveness Roadmap (ASCR) was held during SOM2. The event will be held annually for the remainder of the ASCR, until 2025.
- A common definition of “logistics related services” was endorsed by the GOS and the CTI, and adopted by Ministers Responsible for Trade in May. The definition is non-binding, non-exhaustive, and open for future review. It aims to facilitate further discussion and to assist APEC economies to have a better understanding of the impact of these services sectors on the movement of essential goods. Related workshops and discussions were held in March, May and August 2022.
- The GOS Convenor’s proposal “Decision on Monitoring Pandemic Recovery under the APEC Services Competitiveness Roadmap (ASCR)” was endorsed by GOS members and Senior Officials. With the support of the PSU, the proposal considers to report annually for the remainder of the ASCR to Senior Officials on growth and developments concerning barriers to trade in the sectors most negatively impacted by the economic contraction of the pandemic: travel, transport (including logistics), and other business services.
- The “APEC Index to measure the regulatory environment of services trade in the APEC region” was expanded in 2022 to cover 16 economies in 22 services sectors.
- A GOS “Public-Private Dialogue on Digitally Enabled Services: Challenges and Opportunities” was held on 6 July.
- A GOS Dialogue on Sustainable and Inclusive Growth was held on 23 August.
- A GOS-EC Joint Symposium on services competitiveness and structural reform was held during SOM3 on 23 August and a related roundtable was held in June 2022.
- A GOS “Workshop on Translating Services Domestic Regulations Initiatives into Practice – Implementation of Domestic Regulation Disciplines” was held on 25 August.
- An “APEC Professional Services and Mutual Recognition “Community of Practice” was established in 2022 and held its first two meetings in July and September 2022.

#### (b) Work undertaken by fora in the implementation of the [Putrajaya Vision 2040](#), including through the [Aotearoa Plan of Action \(APA\)](#)

*Kindly refer to the “Collective Actions” (in the APA) for the relevant fora*

GOS activities support all objectives under the APA economic driver of “Trade and Investment” and supports the following collective actions:

- Progress liberalisation of trade in goods by reducing unnecessary barriers, strengthening trade facilitation, and fostering regulatory reform;

- Progress services liberalisation, facilitation and cooperation, including by implementing the APEC Services Competitiveness Roadmap;
- Increase trade predictability and openness by improving economies' transparency through trade measures and policies.
- Support APEC's role as an incubator of ideas by advancing new approaches that help deliver a well-functioning multilateral trading system, with the WTO at its core;
- Support progress of negotiations at the WTO to deliver a trade and investment environment that is free, open, fair, non-discriminatory, transparent and predictable;
- Support implementation of WTO disciplines arising from negotiations, including in prospective areas such as harmful fisheries subsidies, and agriculture negotiations;
- Complete the unfinished business of the Bogor Goals and further deepen economic integration in the region in a manner that is market-driven;
- Strengthen APEC's key role as an incubator of ideas on trade and investment issues in the region;
- Advance capacity building programmes and cooperate on best practice for the development of and participation in high standard regional undertakings; and
- Promote capacity building to improve physical, institutional and people-to-people connectivity.

In support of the second economic driver “innovation and digitalisation” GOS supports the following collective actions:

- Collaborate across relevant APEC fora on such issues related to macro-economic policies, including services and the digital economy.
- Collaborate across relevant APEC fora on issues related to structural reform, including services and the digital economy.
- Support the identification and integration of new and emerging sustainable transportation and mobility technologies and services.
- Cooperate to accelerate digital transformation, including by supporting the digitalisation of industries such as services, manufacturing and agriculture;

Finally, the economic driver “Strong, Balanced, Secure, Sustainable and Inclusive Growth” is being supported by work on Environmental Services and services that support the clean-up of marine debris.

- Cooperate in relevant APEC fora to develop, encourage and exchange best practice policies, and promote capacity building programmes, that address all environmental challenges - including climate change - and support sustainable growth
- Build on APEC's Agenda on Advancing Economic, Financial and Social Inclusion to enhance economic inclusion for all.
- Build on existing APEC work on mutual recognition of qualifications to deepen and widen its coverage.

(c) Work Undertaken by the forum in response to Ministerial, SOM and CTI direction

#### **SOM mandate to monitor the implementation of the APEC Services Competitiveness Roadmap**

- In response to recommendations issued in the APEC Services Competitiveness Roadmap (ASCR) Mid Term Review and its Summary Report endorsed by Ministers in 2021, the GOS updated its Terms of Reference to include a requirement to organise an **annual**

**cross-fora and industry dialogue focused on the progress of the ASCR.** The event will be held annually during SOM2, until 2025, to improve the monitoring of the ASCR process and receive inputs from relevant stakeholders. The first event was successfully held on 13 May 2022 in Bangkok, Thailand.

**CTI tasking to update in 2022 the progress of initiatives supporting the 2021 APEC MRT Statement on Services that Support the Movement of Essential Goods**

- Australia facilitated a virtual workshop “Understanding the key role of logistics services in moving essential goods across borders in the Asia Pacific” on 23-24 March.
- A definition of “logistics related services” was endorsed by the GOS and the CTI in May. (see above “key outcomes and achievements in 2022”)
- A “Private Public Dialogue on Essential Services: The Challenges of Logistics in Ensuring Supply Chain Connectivity” was held on 23 August. As recommendations, it was suggested to develop a “Logistics Tracker” to assist economies to have a better understanding of the link between policy and performance and organisation of an annual workshop on logistics. These activities could possibly include cross-fora support from other APEC bodies focused on this area. A follow-up proposal will be suggested before the end of 2022.
- The report “Services to Support the Movement of Essential Goods. Background Paper on Logistics Services” is being released as an APEC Publication.

**CTI tasking to take forward discussions on how to increase trade in environmental and environmentally related services, including by supporting liberalisation, facilitation, and cooperation, as agreed in the 2021 APEC Ministerial Statement**

- New Zealand is implementing a self-funded project to develop a model schedule (positive list) of environmental and environmentally related services, drawing on the Reference List of Environmental and Environmentally Related Services. The model schedule was submitted by NZ to GOS members for endorsement.
- Australia is implementing a self-funded project proposal “APEC - Services that support the clean-up of marine debris”. A research report on Marine Debris was presented with key recommendations to address this environmental crisis through the mobilization of trade in services. A follow-up activity should be organized in the second half of 2022.

**(d) Key Issues Under Discussion by the Fora (if any); &**

- GOS members will continue discussing intersessionally ways to update the “Final Push in Services” and its workstreams.
- Members discussed the need for guidance from AMM in support of cooperation between GOS and the Economic Committee on services and structural reform.

**(e) Items to submit to Senior Officials or Ministers (if applicable)**

- The “Decision on Monitoring Pandemic Recovery under the ASCR” was endorsed by Senior Officials during SOM3. The document was previously endorsed by GOS and seeks PSU’s support to report on pandemic recovery, as part of the ASCR.
- Ministers to encourage further collaboration from the GOS and EC on services competitiveness and structural reform, following the Joint Symposium held on 23 August.

