

GROUP ON SERVICES
Report for the
CTI ANNUAL REPORT TO MINISTERS

For AMM’s information

(a) Key outcomes and achievements in 2023

1. APEC Services Competitiveness Roadmap (ASCR)

- GOS held a three days cross-fora and industry dialogue focused on the progress of the ASCR on 18-20 May during SOM2. A considerable number of participants from the services industry as well as other stakeholders joined this dialogue to share their perspectives and suggestions. This cross-fora and industry dialogue will be held annually for the remainder of the ASCR, until 2025.
- PSU issued a report on ‘Monitoring Pandemic Recovery Under the ASCR’ pursuant to instructions from Senior Officials in 2022. The key findings and messages of this report are:
 - APEC commercial services trade in 2022 had recovered from the low of 2020 but was still lower than the projected value had there been no pandemic.
 - in 2022 trade in transport services and trade in other business services have recovered to levels projected pre-pandemic; however trade in travel services remained 48 percent below pre-pandemic projected levels.
 - APEC economies have started to roll back temporary measures put in place due to COVID-19; however, APEC economies have introduced new trade restrictions that are not related to COVID-19.
 - Economies should strengthen efforts to bring the level of restrictions back to the pre-pandemic 2019 level and look at further reducing restrictions, with particular focus on sectors where barriers have become more restrictive than the average of 2020 and 2021 APEC Index scores.
 - Even as APEC economies continue with efforts to overcome restrictions affecting services trade, they need to redouble their work to improve the quality of services data and statistics.

2. APEC Index to measure the Regulatory Environment in Services Trade of APEC

- In 2023, all APEC economies have participated in the development of the “APEC Index to measure the regulatory environment of services trade”, including gathering and verifying data pertaining to their domestic services regulatory environment. Discussion among economies on ways to improve the index had been held in multiple occasions. Canada, as Champion Economy for this issue, convened a meeting of the technical group on the APEC Index on 10 October.

3. Environmental Services

- GOS conducted the first review of the Reference List of Environmental and Environmentally Related Services endorsed by APEC Ministers in 2021. GOS has

endorsed the addition of two subsectors to the Reference List relating to materials for recycling and to fire management services that support forest ecosystem functioning. Further, in order to keep the list relevant, GOS has agreed to conduct a second review of the list in two years.

“Non-Binding Guidelines on Services That Support the Clean-up of Marine Debris” to engage services in addressing the problem of marine debris, has been endorsed by GOS and CTI, and welcomed by Ministers in the 2023 APEC Ministers Responsible for Trade Statement of the Chair.

4. Logistics-Related Services that Support the Movement of Essential Goods

- In support of instructions from Ministers (MRT 2020, 2021, 2023, AMM 2021) to address the role of logistics services in moving essential goods across borders in periods of crisis, GOS has made progress on developing a set of *Guidelines on Logistics-related Services that Support the Movement of Essential Goods in Periods of Future Crisis*. Significant progress had been made on discussion of the Guidelines and GOS continues to work towards finding consensus.

5. Mutual Recognition Agreement Toolkit (MRA Toolkit)

- The MRA Toolkit is a practical resource to support professional services mutual recognition activities in the APEC region. It provides non-prescriptive guidance to all actors involved in the development and implementation of MRAs and by placing guidance at their fingertips, the Toolkit can accelerate the development and implementation of MRAs within the APEC region.

6. GOS organized the following workshops/events in 2023;

- GOS Dialogue on Sustainable and Inclusive Growth (20 February)
- APEC Professional Services and Mutual Recognition Community of Practice (20 February)
- EC/GOS/DESG; GOS Private Public Dialogue on Essential Services: Achieving Better Policies towards Logistics-Related Services (22 February)
- EC/GOS/DESG; Dialogue on Structural Reform and Services (22 February)
- Public -Private Dialogue on Manufacturing Related Services (6 August)
- Workshop on the Practical Application of the APEC Services Index in Research and Policy (7 August)
- Services Domestic Regulation Workshop: Envisioning Next Generation Technical Standards Principles (8 August)
- Asia-Pacific Services Coalition Public Private Dialogue (9 August)

(b) Work undertaken by the forum in pursuit of the [Putrajaya Vision 2040](#) and in particular in implementing 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

- GOS held the three days cross-fora and industry dialogue during SOM2 to improve the monitoring of the ASCR process and receive inputs from relevant stakeholders.
- The first ‘Monitoring Pandemic Recovery Under the ASCR’ Report, which was endorsed to be reported annually until 2025, was reported by PSU.

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

- Under Australian leadership, GOS has been working toward to develop *Guidelines on Logistics-related Services that Support the Movement of Essential Goods in Periods of Future Crisis*. Significant progress had been made on discussion of the Guidelines and GOS continues working towards finding consensus.

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

- Under the leadership of New Zealand, GOS conducted the first review of the Reference List of Environmental and Environmentally Related Services and has endorsed the addition of two subsectors to the Reference List relating to materials for recycling and to fire management services that support forest ecosystem functioning. Further, in order to keep the list relevant, GOS has agreed to conduct a second review of the list in two years.
- Under the leadership of Australia, GOS developed “Non-Binding Guidelines on Services That Support the Clean-up of Marine Debris” to engage services in addressing the problem of marine debris, and these were welcomed by Ministers in the 2023 APEC Ministers Responsible for Trade Statement of the Chair

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

- GOS members continue discussing intersessionally on whether to add two possible subsectors to the Reference List of Environmental and Environmentally Related Services.
- GOS members continue working toward endorsement of the *Guidelines on Logistics-related Services that Support the Movement of Essential Goods in Periods of Future Crisis*.

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