FOREWORD

Key APEC Documents 2001 is the eighth in a series produced by the APEC Secretariat to bring together in one publication the key policy decisions and initiatives endorsed by APEC Leaders and Ministers each year. These decisions provide the framework and directions for ongoing work programmes undertaken by APEC fora.

This edition of Key APEC Documents features the APEC Economic Leaders’ Declaration in Shanghai and the associated Shanghai Accord and e-APEC Strategy. Also included in this issue is the newly updated Osaka Action Agenda(OAA) which has been revised to incorporate areas of focus that have been added since its adoption in 1995. These documents together with the statements from the various APEC Ministerial meetings held during the year chart the course for the development of APEC in coming years.

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

Alejandro de la Peña
Executive Director
APEC Secretariat
CONTENTS

APEC Economic Leaders’ Meeting, 21 October 2001
Meeting New Challenges in the New Century ................................................................. 1
Appendix 1: Shanghai Accord ......................................................................................... 7
Appendix 2: e-APEC Strategy ......................................................................................... 10
APEC Leaders Statement on Counter-terrorism ........................................................... 29

Thirteenth APEC Ministerial Meeting, 17-18 October 2001
Joint Statement .................................................................................................................. 31

Osaka Action Agenda - 2001 Update
Part One: Liberalization and Facilitation ................................................................. 45
Part Two: Economic and Technical Cooperation .................................................. 65
Annex: Action Program in Specific Areas
Agricultural Technology Cooperation ........................................................................ 78
Energy ......................................................................................................................... 81
Fisheries ...................................................................................................................... 88
Human Resource Development ................................................................................. 92
Industrial and Science and Technology ................................................................. 102
Marine Resource Conservation ............................................................................... 107
Small and Medium Enterprises ............................................................................. 110
Telecommunications and Information .................................................................. 117
Tourism .................................................................................................................... 121
Trade Promotion ....................................................................................................... 123
Transportation .......................................................................................................... 126

APEC High Level Meeting on Human Capacity Building, 15-16 May 2001
Beijing Initiative on Human Capacity Building ..................................................... 129

Meeting of APEC Ministers Responsible for Trade, 6-7 June 2001
Statement of the Chair ................................................................................................. 135
Annex A ...................................................................................................................... 142
Annex B ...................................................................................................................... 143

Eighth APEC Small and Medium Enterprise Ministerial Meeting, 29-30 August 2001
Joint Ministerial Statement .......................................................................................... 149
Annex 1 ..................................................................................................................... 155
Annex 2 ..................................................................................................................... 158
Annex 3 ..................................................................................................................... 160
Eighth APEC Finance Ministers Meeting, 8-9 September 2001
Joint Ministerial Statement ................................................................. 163
Annex A .................................................................................. 167
Annex B .................................................................................. 172

Fourth APEC Human Resources Development Ministerial Meeting, 29-30 September 2001
Joint Ministerial Statement ................................................................. 173

APEC Business Advisory Council
Executive Summary: Common Development through Market Opening,
Capacity Building and Full Participation .............................................. 177

Abbreviations .................................................................................. 179
APEC ECONOMIC LEADERS’ DECLARATION

Shanghai, People’s Republic of China
21 October 2001

MEETING NEW CHALLENGES IN THE NEW CENTURY

1. We, the Economic Leaders of APEC, gathered today in Shanghai for the first time in the twenty-first century. We are here to explore ways to meet the new challenges confronting us. Convinced of the great potential of the Asia-Pacific region, we have resolved to achieve common prosperity through broader participation and closer cooperation.

2. Our meeting has taken place at a crucial juncture. The major world economies are experiencing a slowdown more severe than anticipated. Most economies in the Asia-Pacific region have experienced an economic downturn, with some emerging economies particularly affected by unfavorable external market conditions. In addition, the terrorist attack on the United States risks undermining some industries as well as consumer and investor confidence. In the long run, a major challenge for the Asia-Pacific community is to manage the profound changes brought forth by globalization and the New Economy and to benefit from the opportunities that abound.

3. As the premier forum for regional economic cooperation in the Asia Pacific, APEC is well suited to play a leading role in helping its member economies embrace these opportunities and challenges. We wish to send a clear and strong message on the collective resolve of the Asia-Pacific community to counter terrorism. We are determined to reverse the current economic downturn and maintain public confidence at a time of uncertainty by fighting protectionism and committing to the launch of the new WTO round at the upcoming WTO Ministerial Conference. These efforts are consonant with and contribute to the pursuit of the APEC vision of peace, harmony and common prosperity.

4. Inspired by such a vision, we are determined to work together for a more dynamic and prosperous Asia Pacific in the new century by promoting sustainable economic growth, sharing the benefits of globalization and the New Economy, and advancing Trade and Investment Liberalization and Facilitation (TILF). To this end, we reaffirm our commitment to achieving the Bogor Goals of free and open trade and investment in the Asia Pacific by 2010 for developed economies and 2020 for developing economies. We have also charted the course for the development of APEC in its second decade and beyond by adopting the Shanghai Accord.

Promoting Sustainable Growth

5. We affirm our unwavering confidence in the medium and long-term growth prospects for the Asia-Pacific region since the fundamentals of the region remain sound. As reforms and restructuring following the 1997-1998 financial crisis take effect, many emerging economies are now in a much stronger position to cushion themselves against the impact of the economic slowdown and unexpected shocks.

6. We undertake to adopt appropriate policies and measures to increase economic growth and resolve to enhance macroeconomic policy dialogue and cooperation not only to resume growth but also to build a stronger foundation for sustainable growth and broad-based development. It is important for all economies to take timely policy actions to strengthen markets and facilitate an early pick-up in global economic activity.

7. In this context, we pledge to accelerate our domestic efforts to build capacity and deepen structural reform so as to strengthen the market fundamentals across the region. To this end, we emphasize the
importance of sound economic policies and corporate governance as well as the important role and responsibility of governments in shaping the legal and regulatory framework that encourages competition and innovation, with an increased emphasis on capacity building. Developing the social safety net is a high priority, as it can make an important contribution to reducing the harmful effects of economic shocks on vulnerable groups. As noted in the 2001 Economic Outlook, enhancing financial efficiency is also essential to promoting growth. We thus welcome efforts made in these areas in APEC, including strengthening economic legal infrastructure, supervision of capital markets, corporate governance, and implementation of international financial standards, as exemplified by the work done through the Finance Ministers’ process. We also welcome contributions by Pacific Economic Cooperation Council (PECC) in these areas. We direct responsible Ministers and Officials to build on their work.

8. Recognizing the importance of promoting financial stability and crisis prevention, we stress the need to strengthen the international financial system. We urge continued efforts to enhance the effectiveness of mechanisms to prevent the recurrence of financial crisis. We welcome the important steps that have been taken to strengthen the international financial architecture including, for example, the review by the Financial Stability Forum of the effectiveness and the progress in implementing the recommendations from the Working Group on Offshore Financial Centers and Highly Leveraged Institutions. We emphasize the importance of ensuring that representation on the International Monetary Fund (IMF) Board and IMF quota/share allocation appropriately reflects the current world economy. While the IMF and other international financial institutions play a pivotal role, regional cooperation can also be very useful in complementing efforts by these institutions to promote financial stability. In this connection, we welcome the substantial progress in implementing the Chiang Mai Initiative to strengthen cooperative financing arrangements among the Association of Southeast Asian Nations (ASEAN) countries and China, Japan and the Republic of Korea. We also note the ongoing work in the Manila Framework Group. We support all these efforts and urge them to be strengthened.

9. The current economic slowdown underlines, above all, the importance of APEC's work towards more open and stronger economies. We reaffirm our unyielding commitment to free and open trade and investment and resolve to work together to fight against protectionism in all forms. We render the strongest support for an open, equitable and rules-based Multilateral Trading System, which is essential to sustain global economic growth. APEC must also stay on track with its own agenda on trade and investment and on capacity building.

Sharing the Benefits of Globalization and the New Economy

10. We are convinced that globalization is a powerful vehicle that stimulates economic growth, and holds great promises for delivering higher living standards to people and improving social well-being for our communities. We acknowledge that the New Economy has broad potential to raise productivity, stimulate innovation in economic organization and entrepreneurship, and create and disseminate knowledge and wealth. However, the opportunities arising from these processes are not sufficiently shared among and even within economies. Hence the need to enable all individuals in our communities to benefit from them. We emphasize the importance of capacity building, both human and institutional, as a key answer to the challenges and opportunities of globalization and the New Economy. Capacity building constitutes a key element of the balanced approach essential to the success of APEC along with market opening and full participation.

11. In this context, we reiterate that human capacity building (HCB) remains a central theme this year and the years ahead. We commend the success of the High-Level Meeting on Human Capacity Building, and welcome the Beijing Initiative as a comprehensive set of principles for human capacity building, which also provides opportunities for further work in the New Economy. We call on APEC fora and member economies to undertake follow-up activities in specific areas of their interest in the spirit of developed and developing economies complementing each other. We support the engagement of all
key stakeholders in the region and, in particular, the establishment of the partnership of government, business, academic and training institutions for this purpose. We welcome the launch of the Consortium for APEC Cyber Education Cooperation initiated and sponsored by the APEC Education Foundation, the Human Capacity Building Promotion Program and the APEC Finance and Development Program. We also welcome the outcomes of the 4th Human Resources Development Ministerial meeting and support the Kumamoto Statement that makes a contribution to APEC Human Resources Development activities in the 21st Century as a basis for advancing social and economic development and the sharing of prosperity by our people.

12. Reaffirming the importance of Economic and Technical Cooperation (ECOTECH) in achieving equitable growth and sustainable development, we welcome the progress that APEC has made in advancing ECOTECH goals and underscore that Trade and Investment Liberalization and Facilitation and ECOTECH should be mutually reinforcing. We call for efforts to this end to be further strengthened. We commend the formulation and submission of ECOTECH Action Plans by individual member economies as a major step forward for promoting sound and balanced development of APEC and ask Ministers and Officials to develop the exercise as lessons are learned.

13. We also welcome the progress made in other areas of ECOTECH. We endorse the APEC Strategy for Combating Infectious Disease and call on members and relevant fora to implement its recommendations.

14. Given the importance of Small and Medium-sized Enterprises (SMEs) and micro-enterprises, we instruct Ministers and Officials to build on APEC’s Integrated Plan of Action for SMEs and place special emphasis on micro-enterprises. In this context, we welcome the High Level Meeting on Micro-enterprises to be hosted by Mexico next year.

15. Building on work done in Brunei last year, we have made further progress by formulating and delivering a long-term, forward-looking and more action-oriented e-APEC Strategy for the development of the New Economy through the promotion of information and communications technology (ICT) and its application in our region. The goal is to build APEC towards a digital society, with higher growth, increased learning and employment opportunities, improved public services and better qualities of life by taking advantage of advanced, reliable and secure ICT and networks and by promoting universal access. Such a society should bring equal opportunities and widely shared benefits for all member economies and individuals, including women, the disabled and others. We commend the crosscutting character of the e-APEC Strategy and urge APEC fora and member economies to implement the programs for collective and individual actions set out in the Strategy, as appropriate. Under the current circumstances, the early implementation of the Strategy will also support the revival of the ICT sector. We also welcome the progress in advancing e-commerce.

16. In September 2002 many of us will be meeting in Johannesburg for the World Summit on Sustainable Development, to reinvigorate our commitment to sustainable development in pursuit of enhancing economic growth, promoting human and social development and protecting the environment as interdependent objectives. We will consider how APEC, which has undertaken a broad range of activities in this area, can contribute to the success of the World Summit and take forward the outcomes in its work program.

17. We realize that there is an ongoing public debate on the benefits and costs of globalization. Such debates are healthy when they are informed by rigorous and comprehensive analysis of the impact of globalization. The time has come for APEC to come forward and lead the public debate in a constructive manner. We instruct Officials to convene an APEC Dialogue on Globalization and Shared Prosperity, focusing on, among other issues, structural adjustment and its impact. At the same time, APEC should reach out to business and other stakeholders to communicate APEC’s objectives, activities and benefits to ensure that they participate in and benefit from the APEC process and globalization at large. In
particular, we thank APEC Business Advisory Council (ABAC) for its report and value the interaction with the Council and other business representatives. We also direct our Ministers and Officials to develop and implement programs to give effect to the APEC Communications and Outreach Strategy as well as the conclusions of the Ad Hoc Group on APEC Interaction.

18. Noting that sustainable growth in the APEC region also requires the ability to feed a growing and increasingly prosperous population, Leaders call for accelerated implementation of the APEC Food System initiative. Recognizing the benefits of biotechnology in improving productivity, increasing nutrition, and reducing the environmental impact of agricultural production, we reaffirm the importance of safe introduction and use of biotechnology products based on sound science. We also welcome the initiative to hold a policy-level dialogue on agricultural biotechnology and call for more related capacity building activities.

19. We take satisfaction at the significant progress made, through the leadership of the Ad Hoc Group on Gender Integration, in the capacity of APEC to address gender equity in its work. Our commitment to a wide distribution of the economic opportunities of our era requires the application of gender perspectives in APEC’s work, we welcome the decision to hold a Second Ministerial Meeting on Women in Mexico in 2002, as an opportunity to make further progress.

**Supporting the Multilateral Trading System**

20. Trade and investment liberalization and facilitation hold another key to realizing our vision for reduced disparities and common prosperity. They have taken on increased importance at a time when rapid changes are reshaping the global marketplace. Hence, we commit to further efforts in advancing trade and investment liberalization and facilitation both within our region and globally.

21. In November, a major decision will be taken at the Fourth WTO Ministerial Conference. Its outcome will have long-term implications for our future. Our choice is unmistakably for a stronger Multilateral Trading System with greater opportunities for all. We strongly support the launch of the WTO new round at the conference, recognizing that the current slowdown in the world economy has added to its urgency. We agree that, once launched, the new round should be concluded expeditiously.

22. We emphasize the need for a balanced, sufficiently broad-based agenda, which is achievable. This is essential to the successful launch and conclusion of the New Round. We agree that the agenda for the New Round should include further trade liberalization, the strengthening of WTO rules, implementation issues, and reflect the interests and concerns of all members, especially those of the developing and least developed ones. We also agree that such an agenda should address the challenges in the 21st century and support the goal of sustainable development. This will help ensure that the prosperity flows from growing trade and investment is accessible and equitably distributed to all. In this context, we also emphasize the importance that the New Round be supported by all WTO members, and hence the need for effective implementation of special and differential treatment and for enhancing WTO’s internal transparency.

23. We reconfirm the commitment to the APEC-wide moratorium on the imposition of custom duties on electronic transmissions, and agree on its extension until the Fifth WTO Ministerial Conference, recognizing the importance of relevant WTO agreements for electronic commerce.

24. We reaffirm the importance of APEC WTO-related capacity building activities which realize the objectives of the Strategic APEC Plan as a unique, substantial contribution to strengthening the Multilateral Trading System, and call for the accelerated implementation of the Plan to assist developing economies in implementing the WTO agreements.
25. We applaud the conclusion of all negotiations on the terms for China's membership in the WTO as a historic development that not only helps make WTO a truly world organization but also reinforces the underpinnings for global economic cooperation. We urge that the decision on final approval of China's accession be taken at the upcoming Ministerial Conference. We also reiterate strong support for the final approval of the accession by Chinese Taipei at the Conference and the advancement of WTO accession by the Russian Federation and Viet Nam.

26. We reaffirm that regional and bilateral trade agreements should serve as building blocks for multilateral liberalization in the WTO. We affirm that the existing and emerging regional trading agreements should therefore be consistent with WTO rules and disciplines. We also believe that these arrangements should be in line with APEC architecture and supportive of APEC's goals and principles. We note the initiatives on exchange of information in this regard.

Sharpening the Vision for the Future

27. APEC has come a long way since its inception in 1989. So has the world around it. These changes have not in any way lessened the need for a vehicle of cooperation like APEC in our region. On the contrary, they have made it more compelling for us to remain fully committed to the APEC process, to the vision of a peaceful and prosperous Asia-Pacific community of diverse yet interdependent economies that has evolved from Seattle to Brunei, and above all, to the Bogor Goals. We also reaffirm our belief in the unique APEC Approach based on the fundamental principles of voluntarism, consensus-building, combination of individual and collective actions, flexibility, comprehensiveness and open regionalism, which has inspired and underpinned our successes.

28. At the same time, we recognize that APEC must demonstrate its dynamism in advancing with the times by responding and adapting to changes in the global and regional economy. As it enters the second decade, it is important for APEC to enrich, update and sharpen its vision for the future. In this respect, we envision that APEC's objectives in the second decade are to make continuous progress in achieving the Bogor Goals; deepen the spirit of community by sharing the benefits of growth more widely and equitably; and build APEC into a closer, stronger partnership for regional economic cooperation.

29. To this end, we announce today the Shanghai Accord as a strategic, forward agenda for the development of APEC in the coming years. The Accord not only gives voice to our common resolve to fulfill our commitments, it also stands as a template laying out some key steps to be taken to achieve our Goals and Objectives. Reflecting the diversity of APEC's membership, it incorporates trade and investment as two mutually supportive and reinforcing elements.

30. In the Shanghai Accord, we commit to:

- Broadening APEC's vision for the future by identifying a conceptual and policy framework to guide APEC in the new century. Such a framework recognizes the changes entailed by globalization and the New Economy and reflects the need to extend the APEC agenda to cover reforms and capacity building at both domestic and international levels;
- Clarifying APEC's roadmap for achieving the Bogor Goals on schedule with a mid-term stocktake of the overall progress in 2005, including by broadening and updating the Osaka Action Agenda, adopting a pathfinder approach in advancing selected APEC initiatives towards achieving the Bogor Goals, promoting the adoption of appropriate trade policies for the New Economy, following up on the APEC Trade Facilitation Principles, pursuing greater transparency in economic governance; and
- Strengthening APEC's implementation mechanism by strengthening the Individual Action Plan Peer Review process, reinforcing ECOTECH and capacity building efforts.
31. We direct our Ministers and Officials to follow up actively on the Accord. We have no doubt that with our concerted efforts the vision we set here will over time come to full fruition, culminating in a stable, secure and prosperous Asia-Pacific community.
I. BROADENING THE APEC VISION

Globalization and the New Economy have transformed the global and regional economy significantly since the Bogor Goals, bringing forward extraordinary opportunities as well as challenges. APEC’s vision needs to reflect these changes. While trade liberalization is at the core of APEC agenda, Leaders also agree that the Bogor Goals need to be placed within the context of an updated and expanded vision that addresses trade and investment liberalization and facilitation and economic and technical cooperation in an integrated manner to maximize the benefits for all economies in the region. One of the greatest challenges to materialize such a vision is to intensify the collective and individual actions that economies take at domestic and international levels on reforms and capacity building across a range of areas.

The strategic goals of the Finance Ministers’ Process should also be reflected in a broader vision for APEC, given the important role of sound macroeconomic policies, good economic governance, stable financial systems and greater economic interaction have in improving prosperity for the region.

II. CLARIFYING THE ROADMAP TO BOGOR

• Broadening and updating the OAA

Leaders applaud the work done this year on the Osaka Action Agenda (OAA), and recognize its importance in reflecting APEC’s accomplishments and ability to respond to changes in our regional and global situation. Leaders agree that the OAA should be broadened to reflect fundamental changes in the global economy since Osaka, such as the development of new economy including through the implementation of relevant aspects of e-APEC Strategy, and Strengthening the Functioning of Markets. Leaders direct Ministers to follow this up. Officials should present an interim report at the 2002 Meeting of Ministers Responsible for Trade (MRT) and a full report at the 2002 APEC Ministerial Meeting (AMM) on their recommendations with regard to broadening the OAA.

• Adopting a pathfinder approach in advancing some APEC initiatives

Leaders reaffirm that those economies ready to initiate and implement a cooperative arrangement may proceed to do so, consistent with the Bogor Declaration. Leaders encourage the development of such “pathfinder initiatives” and agree that in adopting such an approach, APEC principles of voluntarism, comprehensiveness, consensus-based decision-making, flexibility, transparency, open regionalism and differentiated timetables for developed and developing economies should be observed. Use of ‘pathfinder initiatives’ based on a group of members piloting the implementation of the initiatives, will invigorate progress towards the Bogor Goals and provide a framework to encourage broader participation through enhanced capacity building programmes. Leaders also agree that these initiatives should be transparent and open, with clearly defined objectives and framework for implementation to encourage the broadest participation by other APEC members when they are ready to join.

• Promoting the adoption of appropriate trade policies for the New Economy

Leaders recognize the importance of adopting appropriate trade policies to reflect the new context and encourage the development of the New Economy. As part of this effort, Leaders instruct officials to undertake by mid-2002 an exchange of appropriate trade policy information, such as information on the status of liberalization of services, and adherence to tariff and intellectual property regimes. On this basis,
economies may develop targets by the Ministerial Meeting in 2002. In this exercise, account should be taken of the implementation of relevant recommendations endorsed in the e-APEC Strategy. Given the diversity among member economies, Leaders agree that the development of the New Economy would also involve developing and implementing concrete capacity building programs to improve performance.

- **Follow up on the Trade Facilitation Principles**

  Leaders instruct Ministers to identify, by Ministerial Meeting in 2002, concrete actions and measures to implement the APEC Trade Facilitation Principles by 2006 in close partnership with the private sector. The objective is to realize a significant reduction in the transaction costs by endeavoring to reduce them by 5% across the APEC region over the next 5 years. Leaders also instruct Ministers to explore the possibility of setting objective criteria on trade facilitation, taking fully into account the diversity among the members as well as progress achieved in respective economies so far. Leaders also agree that assistance programmes to help build the capacity of developing economies in trade facilitation is particularly important.

- **Adoption of transparency principles**

  Leaders recognize the importance of transparency in economic governance. In this regard, APEC has developed, menus of options and principles in different areas that contain transparency provisions. Leaders direct Ministers to pursue the implementation of APEC’s agreed transparency principles, taking into account economies’ specific circumstances and report on the progress in their IAPs in 2002 and thereafter. Leaders also underline the importance of well-targeted assistance to help the developing economies make progress towards greater openness and transparency. Leaders note the importance of cooperation on e-government for achieving this objective.

### III. STRENGTHENING THE IMPLEMENTATION MECHANISM

- **Strengthening the IAP Peer Review Process**

  Leaders welcome the decision by Ministers to strengthen the Individual Action Plan (IAP) peer review process, and encourage member economies to volunteer their IAPs for peer review on the basis of the new approach. Leaders also agree that upon completion of such a review cycle, involving all volunteer economies, a mid-term stocktake of the overall progress towards the Bogor Goals should be undertaken in 2005.

- **Strengthening ECOTECH and capacity building efforts**

  Leaders recognize that in addition to promoting sustainable development and narrowing disparity, ECOTECH helps to enable all member economies to achieve prosperity through activities that both directly support trade and investment liberalization and facilitation and strengthen the competitiveness of our economies. Leaders applaud the efforts undertaken this year to update the OAA Part II and call for greater integration of ECOTECH efforts with all APEC priority goals. Leaders underscore the need to give a strong impetus to ensuring the effective implementation of various ECOTECH initiatives, especially crosscutting issues such as human capacity building.

  Leaders recognize the importance of substantially enhancing the profile of ECOTECH and improving the coordination and management of ECOTECH activities of all fora. In this context, Leaders welcome the review to be undertaken on the mandate and role of the SOM Subcommittee for ECOTECH (ESC), and look forward to early progress. Leaders also recognize the need to encourage the incorporation of the priorities of micro, small and medium enterprises throughout the APEC agenda.
Leaders agree to further develop ECOTEC Action Plans (EAPs), as an instrument to gauge and encourage ECOTEC activities, drawing from the experience and lessons learned in the pilot phase. Leaders also call on all members to take part in this exercise on a voluntary basis. Leaders agree that APEC should strengthen ties with bilateral, multilateral, and private funding entities with a view to minimizing duplication and maximizing the delivery of capacity building programs. Leaders instruct Ministers and officials to intensify ECOTEC activities and report the progress to the Ministerial Meetings next year.
e-APEC STRATEGY

EXECUTIVE SUMMARY

1. Background

At the Brunei APEC Summit the APEC Leaders launched an Action Agenda for the New Economy to demonstrate our resolve to work to create a digital society. We directed our Ministers to develop and expand the agenda to enable all APEC economies to maximize the benefits of the emerging New Economy.

The e-APEC Task Force was established by our officials to coordinate APEC initiatives to develop and expand the Action Agenda for the New Economy. To fulfill this mandate, the e-APEC Task Force has developed a strategy that identifies the necessary policy environment and specifies appropriate goals and actions, drawing upon the existing efforts and on-going work within APEC.

2. The e-APEC Strategy

The e-APEC Strategy we commended develops a forward-looking, long term and action-oriented plan under three pillars:

- To create an environment for strengthening market structures and institutions

One of the main drivers of innovation, technology uptake and associated productivity gains has been the increased openness of markets, which has encouraged global trade and investment as well as the diffusion of ideas and knowledge.

We urge economies to implement appropriate policies and actions to promote sustainable growth. These include: a sound macroeconomic policy framework, sustained structural reform, an effective competition regime, good financial and corporate governance, efficient venture capital markets, a sound legal framework for intellectual property, improved risk management, transparent decision making, robust institutional frameworks, flexible labor markets, and targeted social policies. In their absence, developments in the New Economy will raise the cost to governments of not getting such economic fundamentals right.

- To facilitate an environment for infrastructure investment and technology development

We encourage economies to construct a policy environment conducive to competitive investment and the widespread uptake of beneficial technologies. This requires:

- A legal and regulatory framework that provides the essential underpinning for business investment growth and consumer confidence;

- A competitive and robust network infrastructure that enables the advanced application of technology in modern business methods and enhanced societal transactions; and

- A competitive market for the “Value Chain” services that support the effective initiation and completion of e-commerce transactions.

Policies and actions necessary to achieve these goals include: on-line transaction laws; continuing work on electronic authentication and signatures, the promotion of information security, personal data protection and consumer trust, balanced policies increasing access to digital information, and the encouragement of
standards development and conformance. Building telecommunications infrastructure and technology to harness the benefits of the New Economy requires policies and actions that target basic infrastructure and technology requirements. We call for the promotion of competitive, affordable and non-restrictive access for all and the development of reliable, fast and affordable non-IT services and distribution channels.

- To enhance human capacity building and promote entrepreneurship

We urge economies to take action to improve human capacity building and promote entrepreneurship. It is vital to enhance human capacity building to establish a winning position in the New Economy. Entrepreneurship is fundamental to generating new ideas and developing new business opportunities. We encourage economies to develop innovation-oriented policies and promote the participation of SMEs in New Economy activities.

ICT has enormous potential to assist economies in achieving specific economic development goals. ICT’s strength lies not only in the technology itself but also in ICT’s ability to improve communication and enhance the exchange of information.

As such, high priority should be given to: effective education and training services, fostering entrepreneurship and SMEs, strengthening technology cooperation and information exchange, enhancing user application of ICT and hastening closure of the digital divide.

3. Implementation of the Strategy

We encourage economies to participate actively and contribute to concrete steps that will build on the action agenda of the e-APEC Strategy. In this regard, we instruct our Ministers and Senior Officials to oversee the process of deployment of the Strategy. We call on all APEC fora and mechanisms to cooperate and participate in the implementation of the Strategy.

In spite of the diversity and different developmental stages among the economies we believe that, with the efforts of all the APEC economies, the e-APEC vision will be turned into reality. This will spread the benefits of the New Economy, and revitalize economic development beyond the region.

I. CREATE AN ENVIRONMENT FOR STRENGTHENING MARKET STRUCTURES AND INSTITUTIONS

To maximize the benefits of the New Economy requires appropriate economic policies, good governance, transparent decision making and robust institutional frameworks. In fact, developments in the New Economy raise the cost to governments of not getting such economic fundamentals right. One of the main drivers of innovation, technology uptake and associated productivity gains has been the increased openness of markets that has encouraged not only global trade and investment flows, but also the diffusion of ideas and knowledge.

The New Economy contains four key elements as defined in the APEC Economic Committee’s 2000 report: an effective innovation system, human resource development, an efficient ICT infrastructure as well as a business environment supportive of enterprise and innovation. The OECD report - New Economy: beyond the hype - showed that a policy mix that strengthens economic and social fundamentals, facilitates diffusion of ICT and fosters innovation, investment in human capital and firm creation, is likely to bear the most fruit over the longer term.

The policy settings and actions necessary to maximize sustainable growth available from the New Economy include on-going structural reform, a sound macroeconomic policy framework, on-going regulatory reform, an effective competition regime, good financial and corporate governance, efficient venture capital markets,
a sound legal framework for intellectual property and improved risk management.

A. Promote Economic Growth with a Sound Macroeconomic Framework

Sound macroeconomic policies are as necessary to support and sustain “New Economy” activity as they are for more traditional economic endeavors. The potential for electronic transactions to cross multiple geographic boundaries and tax jurisdictions reinforces the importance in macroeconomic settings of tax neutrality whereby electronic transactions are treated no worse than traditional transactions and ensures there is no disincentive to trade and conduct business electronically.

Regarding customs tariffs, in 1998, the WTO recognized the importance of electronic trade and WTO members agreed to set up a work program and endorsed a moratorium on customs duties applied to transmissions over the internet. No precedence exists in the WTO for placing tariffs on electronic transmissions including telephone calls, facsimiles or data transmissions.

Goal
- To create a sustainable economic growth environment with fiscal discipline and low inflation.

Actions
- APEC Finance Ministers should continue their policy dialogue on key macroeconomic developments and policy responses, recognizing the importance of on-going structural reform for continued macroeconomic stability;
- APEC members, through the Finance Ministers’ process, should ensure that any taxation of internet services or electronic commerce is clear, consistent, neutral and non-discriminatory;
- Confirm the present WTO customs duty moratorium on electronic transmissions; and
- Commit to participate actively in WTO work on e-commerce.

B. Structural Reform

The overriding aim of structural reform is to provide a flexible economic structure capable of taking advantage of emerging opportunities in the New Economy. Macroeconomic policies are important in providing a stable environment for growth, but structural reforms directly drive productivity improvements, and at the same time make important contributions to macroeconomic stability. The concept of structural reform broadly includes all microeconomic reforms, and therefore encompasses the issues set out in Sections II.C to II.H below. However, elements that stand out are trade and investment liberalization, which acts as a catalyst for further reform, and labor market reform that is important for sustaining employment growth.

Goals
- To stimulate higher productivity, including through trade and investment liberalization;
- To facilitate the entry and exit into the economy for firms and workers;
- To maximize efficiency-enhancing benefits from the use of ICT by allowing for greater flexibility in the allocation of labor and capital; and
- To promote more equitable sharing of the benefits of growth.

Actions
- Facilitate structural adjustment by economies by promoting trade, e-commerce and investment liberalization, and the progressive removal of subsidies and support programs in line with WTO agreements;
  - Continue efforts to improve the IAP process and to enhance WTO-related capacity building efforts.
- Strengthen social safety activity in APEC and encourage APEC governments to ensure that labor market institutions and social policies provide the support and incentives needed to encourage mobility and assist workers to find new jobs and retrain.
C. Accelerate Regulatory Reforms

The objective of regulatory reform is to guide market behavior without undermining the incentives that yield private sector transformation of activities leading to productivity growth. An appropriate regulatory and legal environment will facilitate the expansion of e-commerce and new e-services as a profitable way of doing business. Member economies should work with all stakeholders to accelerate regulatory reforms. Continuing progress in opening economies to international trade and capital flows is essential for economic growth as is awareness of the need to adopt rules and practices to a constantly changing global environment.

**Goal**

- To speed up reforms which encourage efficient and well-functioning product, labor and capital markets and supportive institutional frameworks.

**Actions**

- Encourage the on-going review of existing legal and regulatory frameworks and development of road maps by which regulatory agencies and industry can progress to early adoption of transparent regulatory systems using best practices, international standards and governance practices;
- Support and encourage joint government/industry capacity building programs to improve regulatory standards, transparency and governance practices; and
- Open public utilities to competition and privatization.
  - Support the work of the APEC Privatization Forum as a way of sharing experience and expertise on privatization, including governance and the regulation of state enterprises.

D. Financial Issues and Corporate Governance

Well functioning institutions are essential in periods of technological change and also contribute to macroeconomic stability. Greater transparency, particularly of listed firms’ information and performance together with greater investor protection, would increase the availability of capital to develop the new economic environment.

**Goals**

- To establish deep financial markets operating with sound prudential supervision of both the markets and individual financial institutions so as to protect depositors, investors and insurance policy holders;
- To improve domestic and international financial architecture in ways that allow financial markets to operate transparently and efficiently and which respect key commercial principles;
- To improve corporate governance; and
- To ensure that appropriate regulations are implemented to address developments in the New Economy.

**Actions**

APEC member economies, through the Finance Ministers’ Process, should continue policy initiatives on financial issues as follows:

- Recognize the need to improve corporate governance;
  - Continue APEC’s work on corporate governance, including on insolvency law reform and financial disclosure.

- Share APEC experience and expertise and cooperate to build capacity in APEC members to establish and implement effective systems for supervising financial institutions which provide financial regulators with operational independence, adequate resourcing and sufficient skills to undertake their supervisory functions along with a sound legal framework and clearly defined regulatory standards;
  - Promote APEC-wide adoption of international best practice principles in supervising financial institutions and markets including:
    - the Basle Committee’s Core Principles for Effective Banking Supervision (1997);
Strengthen banking and financial regulations to world best standards including:
- Continue APEC's efforts to promote strengthened surveillance measures; encourage APEC participation in the IMF/World Bank Financial Sector Assessment Program and Reports on Observance of Standards and Codes;
- Regularize ABAC's survey of financial institution views on APEC reform efforts to help APEC economies to focus on issues to be covered in their ongoing financial reform agenda;
- Develop the APEC Voluntary Action Plan aimed at encouraging freer and more stable capital flows;
- Implement the recommendations from the Third Pension Fund Forum, particularly on education, funds management and good governance;
- Study the completed set of recommendations from APEC economies’ experiences in managing bank failures; and
- Build on APEC’s success in areas such as training banking and securities supervisors and regulators, and the policy dialogues on key standards pursuant to Part 2 of the Voluntary Action Plan initiative.

Work to ensure that regulators have robust processes consistent with key international financial policy standards for licensing financial institutions including assessing ownership structure, board membership, senior management, capital adequacy requirements and powers to collect prudential data from institutions; and
- Implement the recommendations of the APEC Finance Ministers’ initiative on the provision of training and technical assistance for fighting financial crime in regulatory sectors;
- Improve corporate governance including encouraging the implementation of the recommendations of the Better Company Accounting and Financial Reporting in APEC report.

Ensure regulators respond effectively to the New Economy that has empowered individual investors with the necessary fast and efficient capacity to trade securities.
- Develop APEC efforts to build skills among financial and insurance regulators in New Economy investment issues such as the Initial Public Offering process, accounting and financial reporting, on-line trading and preserving investor confidence;
- Foster further work by the APEC Working Group on Electronic Financial Transaction Systems (E-FITS) on issues related to electronic financial transactions.

E. Competition Policy

Competition brings pressures to enhance efficiency and pursue new ways to do business especially through the adoption of new technologies. Effective competition policy frameworks lower barriers to international trade and investment and contribute to economic growth and productivity. Improving the capacity of business and consumers to access local information and telecommunications infrastructure will enhance the uptake of ICT as well as ensure equality of access.

Goals
- To increase efficiency and social welfare through a competitive market structure and the expanded use of ICT;
- To ensure that the benefits achieved from trade liberalization are not undermined by the lack of effectively implemented competition principles/policies;
- To enhance trade through consistent competition laws/policies and their enforceability in cross border transactions; and
- To prevent erosion of the competitive position of developing APEC economies in the global economy by facilitating access to ICT and enhancing technical and capacity building initiatives.
Actions

- Reduce barriers to competition and maintain an open policy stance for international trade and investment so as to reduce the costs of hardware, software and services, improve international standards and promote e-commerce;
  - Continue APEC’s dialogue on the establishment of effective pro-competitive policies and institutions to provide a strong disincentive to anti-competitive conduct;
  - Support TEL’s work to promote competition in regulatory structures, interconnection, internet development and related issues;
  - Implement the APEC Principles to Enhance Competition Policy and Regulatory Reform; and
  - Support the APEC Principles of Interconnection and the APEC Principles on International Charging Arrangements for Internet Services.
- Instigate APEC research, dialogue and cooperation on anti-competitive conduct between APEC jurisdictions, including via the internet;
  - Encourage interaction between competition/consumer protection agencies on anti-competitive practices be they public or private in origin.
- Build upon the information provided in the ‘Summary Report on the Competition Policy and Law Database’ which includes information on all APEC member economies’ competition policies.

F. Venture Capital Markets

Without a broad venture capital market, entry of new innovative firms will be impeded. Regulatory systems that restrict traditional types of investors such as pension funds and insurance companies from investing in venture capital and other equity markets retard the development of such markets.

Goals

- To eliminate factors which inappropriately impede risk-taking by financial or investing institutions and other sources of venture capital;
- To facilitate the formation of businesses and the exit of firms;
- To establish a broad venture capital structure by deepening and diversifying capital markets; and
- To create a culture of enterprise and innovation which promotes growth in businesses and technologies.

Actions

- Encourage reform of those regulations and fiscal provisions that inhibit the development of venture and high-risk capital markets and limit the supply of capital for early stage businesses and innovative undertakings;
  - Encourage individual governments to consider recommendations in ABAC’s 2001 Report to Leaders to establish second boards (to stimulate SMEs and venture capital), develop domestic bond markets, develop independent and credible rating agencies, encourage the growth of derivatives and hedging mechanisms and to support new international financing conventions, such as the draft Unidroit Convention on Financing Mobile Equipment.
- Consider APEC research to measure the performance of the regional venture capital industry; and
- Foster the development of venture capitalists’ entrepreneurial skills and fund managers’ investment skills.

G. Intellectual Property

Digital technology presents unique challenges in terms of how creators of that information are protected. The growth of e-commerce requires development of a globally accepted and effective intellectual property regime that strikes the proper balance between protection for creative works on the one hand, and the preservation of access to information on the other.
Goals

- To establish legal frameworks to promote creative endeavor and encourage on-line activity and the growth of the New Economy through addressing the challenges for intellectual property rights posed by the rapid development of new technologies;
- To ensure intellectual property rights (IPR) systems maintain and promote a balance between the different rights of owners and between the interests of copyright owners and users;
- To provide incentives for innovation whilst providing for the community's interest in reasonable access to information; and
- To establish an appropriate balance among all stakeholders, including content providers and ISPs, in terms of the liabilities for infringing intellectual property on-line.

Actions

- Pursue APEC cooperation on IPR, primarily through the ongoing work program of the APEC Intellectual Property Rights Experts Group, to reduce uncertainty and contribute to innovation for the sound development of e-commerce through:
  - Encouraging APEC-wide implementation of the provisions of the 1996 WIPO Copyright Treaty and the WIPO Performance and Phonograms Treaty, Trade Related Aspects of Intellectual Property Rights (TRIPS), the Berne Convention and the Rome Convention;
  - Encouraging APEC-wide adoption of the standards and guidelines adopted in WIPO resolutions; and
  - Reporting in the relevant section of each economy's IAP on domestic conformance with standards set by international governing agreements (WIPO, TRIPS, Berne and Rome) as steps toward full and effective implementation and enforcement, when it is necessary.
- Update domestic intellectual property systems to meet the needs of the digital environment, by APEC economies seeking to:
  - Include technology neutral provisions in relevant legislation to deal with rapid developments in new technologies;
  - Provide efficient and effective means for dispute resolution;
  - Ensure a balance of rights in the digital environment between the legitimate interests of rights holders and the interests of users in accessing creative works;
  - Ensure that the balance of rights is consistent, as far as possible, with the balance of rights in the non-digital environment;
  - Clarify in relevant legislation the liability of internet service providers regarding material communicated via their facilities;
  - Ensure adequate enforcement of IPR systems through legislation and administration; and
  - Support copyright owners to ‘help themselves’ with technological measures through legislation preventing unlawful circumvention of such technological anti-piracy measures.
- Develop capacity-building programs to implement effective provisions for domestic regimes.

H. Risk Management

Policies to reduce uncertainty and enhance the efficiency of the price mechanism in allocating resources are conducive to higher GDP per capita growth.

Goals

- To improve risk management by reducing the risk to capital flows and equity raisings in emerging markets;
- To promote the functioning of effective risk pricing mechanisms; and
- To improve the use of risk management tools and understanding of the knowledge gap regarding the impacts the new economic environment will have on the shape and duration of the business cycle.
II. CREATE AN ENVIRONMENT FOR INFRASTRUCTURE INVESTMENT AND TECHNOLOGY DEVELOPMENT

APEC members should aim to construct a policy environment to encourage competitive investment and widespread uptake of beneficial technologies.

APEC’s work has shown key goals that join to build an environment conducive to growth in the New Economy.

- A legal and regulatory framework that gives the essential underpinning for business investment growth and consumer confidence;
- A competitive and robust network infrastructure that enables the advanced application of technology in modern business methods and enhanced societal transactions; and
- A competitive market for the “Value Chain” of services that supports the effective initiation and completion of e-commerce transactions.

A. Legal and Regulatory Environment

1. Online Transaction Laws

A predictable, simple and consistent legal framework will establish a basis for recognizing electronic transactions but it must be compatible across borders. A successful commercial transaction requires that the people involved know that a contract exists, have certainty of what to expect from one another and understand what they can do to enforce the contract. In addition, all parties to a transaction must trust that the origin and content of online information is authentic and that the credentials and identity of the involved parties can be verified.

Electronic transactions may require new or adapted legislation to provide the same level of confidence as that which exists with traditional transactions. The Model Law on Electronic Commerce developed by UNCITRAL is a proposed legal framework for considering these issues and for helping to harmonize their legal treatment worldwide.

Goals

- To ensure a coherent and transparent framework for ICT-related legislation and regulation; and
- To promote confidence among users to engage in on-line transactions.

Actions

- Draw on the work of international organizations including WTO, WIPO, ITU, OECD and UNCITRAL to create compatible legal frameworks for the New Economy;
• Undertake training programs to assist in the development and implementation of appropriate laws and regulations for electronic transactions; and
• Ensure APEC is active in the development of various global internet conventions.

2. Electronic Authentication and Signatures

Handwritten signatures have been accepted widely as binding evidence of commitments for business transactions. “Electronic signatures” which involve commonly recognized protocols are means for detecting digital forgery, and techniques for verifying the integrity of data files.

Overly technology specific regulation can impose requirements on “electronic signatures” that do not exist for handwritten signatures and seals and limit user choice.

Goal
• To ensure that users have methods for authenticating a transaction that meets their business requirements and are acceptable for legal and evidentiary purposes.

Actions
• Determine the attributes of a minimal framework to ensure the legal effectiveness of electronic authentication methods that are technology neutral;
• Finalize work to ensure existing laws recognize electronic signatures as having the same legal effect as handwritten signatures and seals;
• Demonstrate the value of giving users choice about the type of authentication technique, the ability to contract with a certificate authority of choice, and the level of security most appropriate to the underlying transaction;
• Encourage APEC economies to work in cooperation with the private sector to ensure that overly specific regulatory approaches do not impede cross-jurisdictional transactions.
• Encourage APEC economies to work in cooperation with the business community to identify the range of market structures that may include accreditation or licensing schemes for certificate authorities; and
• Support continuing work to develop legal and policy frameworks as outlined in the Issues for Consideration in the Preparation of Electronic Authentication Policies approved by APEC Telecommunication and Information Ministers.

3. Information Security (Infrastructure and Networks)

Businesses, consumers and governments must be confident that the financial and other sensitive information they exchange during an electronic transaction is protected and safe from theft, alteration or misuse and that systems supporting these transactions are secure.

The open and interconnected nature of the internet involves risks and vulnerabilities. Clearly threats to the underlying information infrastructure need to be addressed to prevent damage to economies, businesses and individuals. All stakeholders have an interest in an accessible internet where safe transactions are possible.

A secure environment will be supported by cooperative efforts of APEC economies that include cross-border discussions directed at identifying threats and vulnerabilities, investment in information assurance services and technologies, application of security tools (i.e. authentication systems and security processes), information sharing on prevention methods and technologies, cooperative research and development, and outreach programs to identify best practices and codes of conduct.

Goals
• To ensure the safety and security of information networks and transactions by those who use the internet; and
• To foster confidence in information infrastructure and networks through market-driven solutions to electronic security needs.
Actions
- Make further progress in the TEL’s work on the e-security training modules program and e-security workshops, PKI and information security;
- Enhance cooperation and coordination among APEC economies on information security including user communities, researchers, business and government entities;
- Encourage capacity building on information security;
- Promote user choice of encryption products and services to meet specific application needs; and
- Educate users on their responsibility to ensure security of networks.

4. Personal Data Protection

Individuals seek opportunities to exercise reasonable control over the collection and use of their personal data – online or otherwise. Choices sought by users include the desire to know how information is used and the ability to seek redress for misuse.

Economies that promote approaches to protect personal data are able to build trust and confidence in secure communication and information systems. Privacy protection can be targeted at specific categories of data. For example, more rigorous approaches can be implemented for situations involving personal medical data and a less stringent approach for data such as personal contact information. Moreover, international cooperation can help ensure that regulations in one jurisdiction do not become unnecessary barriers to electronic trade.

Goal
- To enable individuals to select the nature and scope of the collection and use of their personal data in online transactions.

Actions
- Raise awareness of commercial entities about approaches to the protection of personal data and the development of private policies;
- Identify in cooperation with the private stakeholders where self-regulation and market based solutions can deliver necessary levels of protection for personal data;
- Determine models for informing consumers about privacy protection practices in use by commercial and government entities; and
- Evaluate best practices to personal data protection to avoid obstructing the transfer of necessary data across borders.

5. Consumer Trust

Consumers only take the decision to transact online if they can feel confident that the desired transaction will be completed as expected. Consumer trust is not easily established without face-to-face contact and traditional national regulatory frameworks can be difficult to apply.

Electronic commerce means that consumer trust cannot be generated in the same manner as with traditional commerce. At the same time, the global and decentralized nature of electronic commerce also makes it much more difficult to utilize traditional national regulatory frameworks.

Economies have new and innovative approaches such as alternative dispute resolution (ADR) and other third-party mechanisms that can be effective in boosting consumer trust. They should refer to international principles related to electronic commerce. Furthermore, they can encourage businesses to undertake trust-building activities, such as self-regulatory quality labels and accreditation schemes. Ideally, labeling and industry codes would be complementary, and provide for mutual recognition.
**Goal**

- To foster consumer trust and confidence in digital transactions and e-services.

**Actions**

- Ensure the application of effective and consistent consumer protection laws and self-regulatory mechanisms (i.e. codes of conduct) dealing with issues such as information disclosure and redress in a manner that does not restrict competition and innovation;
- Investigate valid uses and characteristics of third-party mechanisms, such as seals and trust marks, to enhance consumer trust and to encourage good online business practices;
- Encourage e-government initiatives and personal data protection policies as ways to motivate consumer confidence in e-transactions;
- Build on the ECSG 2000 consumer protection workshop and foster collaboration among the private sector, consumer groups, civil society and governments, including the development of consumer protection principles; and
- Draw experience from the use of Alternative Dispute Resolution (ADR), including mediation methods, to guide the adoption of these methods to electronic commerce disputes.

6. Access to Digital Information

The growth of the internet raises questions about the balance between a completely unregulated flow of information, and restrictions in the interest of other societal objectives. Knowledge based economies thrive where there is openness and unimpeded access to new ideas and technologies, but some content on the internet can be damaging to particular groups such as children. Each economy faces a choice when devising domestic strategies.

Some economies face difficulty gaining knowledge and information from the internet because a substantial percentage of that content is in the English language. While content in Chinese, Japanese, and Spanish is growing rapidly, developing local content is essential to taking full advantage of this medium as a way to communicate in the language and culture of respective economies. Therefore, developing local content is very essential, so that the advancement of information technology can be developed in an environment of the language and culture of respective economies.

Rules and regulations should avoid fragmented and incompatible requirements, so that they do not unduly complicate compliance in enforcement practices.

**Goals**

- To generate, develop and enhance local content transmitted by information technology through the introduction of local language character sets with a view to encouraging access to ICT for individuals and firms and facilitating their integration into the global economy; and
- To enable unimpeded, legitimate electronic provision of information and to avoid creating fragmented and incompatible requirements that would hinder the use of electronic transactions and unduly complicate compliance and enforcement practices.

**Actions**

- Ensure restrictions on harmful content are not detrimental to reasonable access to digital information;
- Catalogue where market-based technical solutions and consumer empowerment programs could be applied to discourage exposure to harmful and illegal information; and
- Encourage the development and transmission of local content and local language services while ensuring that such efforts are not used as barriers to trade in services.
7. Standards and Conformance

The development of standards needs to be a global, open process that should be flexible enough to encourage innovation. Along with official standards that are developed in the framework of international standards bodies, de facto industry standards should also be encouraged. Standards work should focus on open interfaces, which are necessary so that systems from different providers can interoperate, thereby encouraging competition.

**Goal**

- To ensure widespread interoperability between different applications and technologies and avoid the creation of barriers between different groups of users.

**Actions**

- Encourage relevant APEC fora to report on steps taken to respond to the call by Ministers Responsible for Trade (MRT) in 2000 to devote greater attention to user requirements for open standards and systems in government interaction with business and the public to facilitate interoperability;
- Encourage APEC economies to endorse the consistent adoption of international market driven standards for interoperability among systems as developed by expert international bodies with private sector participation;
- Support accelerated participation in the APEC Mutual Recognition Agreement (MRA) on Conformity Assessment of Telecommunications Equipment to facilitate trade and encourage standardization; and
- Encourage all relevant APEC fora to consider the review of electronic commerce standards contained in the comprehensive report "APEC E-business; what do users need?"

B. Information and Telecommunications Infrastructure and Technology

1. Basic Infrastructure and Technology

Telecommunications and information infrastructure underlies all electronic transactions and enables the New Economy. Users experience the applications that ride on this infrastructure, and depend on reliable infrastructure to make possible timely connections at affordable rates. The infrastructure operates through multiple wired and wireless networks, and includes end-user devices. Different users and different applications have unique infrastructure and technology requirements.

The information technology equipment, computers, servers, digital wireless phones, etc., along with the necessary software, need to be widely available at internationally competitive market-based prices. The value of a telecommunications network for users is increased when it is interconnected with other networks. Networks need to be fully interoperable with guaranteed interconnections to maximize user value.

**Goals**

- To promote infrastructure and ICT markets that give non-restrictive access and affordable options for users;
- To achieve affordable access to ICT particularly in developing economies;
- To encourage investment in high bandwidth networks to increase capacity and transmission speeds; and
- To encourage competition in infrastructure provision to ensure low-priced access to ICT infrastructure and to enhance its use.

**Actions**

- Continue APEC endorsement of individual economy efforts to liberalize telecommunications markets, modernize regulatory structures to accommodate converging technologies and services and remove impediments to private sector participation in the provision of high-speed communication services;
- Support continued discussion between business/private sector and governments on the development of markets in the provision of internet services among APEC economies, consistent with the APEC Principles on International Charging Arrangements for Internet Services;
• Aim to expand the work of the Asia Pacific Information Infrastructure (APII) by supporting the connection of research networks among APEC member economies to test the inter-connectivity and inter-operability of broad band test beds and to conduct joint R & D efforts in IT application services;

• Identify remaining barriers to market entry for infrastructure and service providers, in line with the global pattern of opening and liberalizing telecommunications markets. Unnecessary barriers in the form of approvals and licensing affecting the availability of the IT product in the market should be removed as far as practicable;

• Study TEI, work and experiences of economies and discuss principles of regulatory bodies that are separate from any supplier of basic telecommunication services and that are separate from the telecommunications policy-making authority;

• Study the effects of subsidies for infrastructure and service providers, and inequitable regulatory treatment on competition in telecommunications markets and the ultimate prices paid by end users;

• Endorse the prompt completion of implementation of the WTO Agreement on Basic Telecommunications, and encourage the adoption of the GBT Reference Paper. Recommend the adoption of these principles by non-members of the WTO as they work towards WTO accession; and

• Endorse the accession of all economies to the WTO Information Technology Agreement, including the adoption of ITA provisions by non-members of the WTO.

2. Access to Information and Telecommunications Services

Access has two main components, on the supply side, competitive access by infrastructure technology/equipment, electronic commerce and internet service providers; and on the demand side, affordable, reliable, and sustainable access for all users, whether individuals, schools, government organizations, libraries, businesses and so on. The correct investment climate and economic and social policies will maximize the private sector's ability to provide access for all.

APEC's work shows that the level of access varies among local populations based on income, education, gender and location, among other factors. Competition and liberalization are essential policies to lower the price of access and increase effective demand among all user groups. These policies in a coherent investment climate enhance the private sector's ability to provide access for all. Government has an important role to play in demand creation by bringing government programs and services on line, and in education and training and supporting demand by those groups outside the market. Effective government programs are characterized by leadership, partnerships, policy coherence, consistency with market forces and ensuring sustainability of demand.

Goals

• To develop indicators of the levels of access and ensure that all groups within an economy have access individually or through community-based services to the internet by 2010. As a first step toward this goal APEC aims to triple the number of people within the region with individual and community-based access by 2005;

• To establish a facilitative investment climate, and economic and social policies that will maximize the private sector's competitive provision of access; and

• To encourage cooperation between governments and the private sector to supply sustainable supply models to underserved communities.

Actions

• Continue to develop the policy framework to encourage investment, competition and lower prices for internet services and government policies that increase the availability of education, training, and support for underserved groups;

• Work with the private sector to address gaps in the basic infrastructure in remote and underserved areas and share economy experiences and information regarding access for all; and

• Share information on cost-effective provision of services to underserved areas, especially remote communities.
C. The New Economy Value Chain Services

1. Non-IT Services and Distribution Channels

The New Economy requires a number of support services provided by business and government, such as access to the infrastructure, efficient transport, express delivery services, efficient customs, and capable banking and payment systems. The development of the IT infrastructure cannot compensate for a lack of development and liberalization of the “traditional” business services and distribution systems. To drive the benefits of the New Economy, supporting services and distribution must be reliable, fast and affordable. Removing barriers in key areas such as logistics and transport, customs, and delivery sectors can improve the pace of economies’ participation in the New Economy.

Both consumer and business e-commerce transactions are dependent on specialized support to enable international transaction settlements. Consumer transactions are at present dominated by the use of credit cards as the most convenient payment method. Many new electronic payments systems and technologies are under development and in trial. The regulatory environment for support services, including advanced payments systems, should facilitate access by business and consumers to a competitive market in these services.

The internet raises business and consumer expectations by allowing goods and services to be offered real-time on a global basis. These expectations include a problem-free experience that will provide a complete solution from order entry and confirmation to payment and delivery. The regulatory environment that emerges should facilitate access by business and consumers to a competitive market in these services.

Goals

- To establish reliable, fast and affordable supporting services and distribution systems by removing barriers to logistics and transport, customs and delivery services; and
- To ensure the availability and usage of appropriate electronic systems to facilitate the efficient and effective working of these support services.

Actions

- Report on implementation steps for effective services to support the New Economy through appropriate APEC fora including customs procedures, transport services, standards and conformance, and payment systems and business mobility;
  - Consider adding other support services such as advertising, content distribution, computer services and educational services.
- Identify necessary distribution services for effective and timely delivery of goods in the New Economy;
- Analyze developments in sea and air container tracking and tracing technology in the APEC region and undertake case studies which examine the application of these technologies and their integration across supply/demand chains between economies;
- Prepare paperless trading individual action plans for submission to the October Leaders Meeting for ultimate review by the MRT in 2002;
- Provide competitive transportation infrastructure and continue to develop, for voluntary implementation by economies, recommendations for more competitive air services with fair and equitable opportunity;
- Draw recommendations from pilot studies on paperless trading implementation and post lessons learned on the internet;
  - Explore adding pilot projects building on APEC work in the Shanghai Model Port Project, such as customs, air express and intellectual property to demonstrate efficiencies.
- Review how APEC fora has responded to the 2000 MRT call to develop capacity building programs to assist economies to implement paperless trading; and
  - Explore adding training projects building on APEC TPT-WG work providing face-to-face and online training over the internet to the transport industry on electronic commerce.
• Enhance the transparency and quality of government services through promoting e-government.

III. ENHANCE HUMAN CAPACITY BUILDING AND PROMOTE ENTREPRENEURSHIP

Enhanced human capacity building and entrepreneurship are fundamental to maximizing the benefits of the New Economy. Achieving these objectives requires an improved awareness and appreciation of ICT, and will involve APEC economies in encouraging and developing innovation-oriented policies and promoting the participation of SMEs in New Economy activities.

ICT has enormous potential to assist economies in achieving specific social and economic development goals, and can play a key role in broader development strategies. Its power lies, not only in the technology itself but also in ICT's ability to create influential social and economic networks, dramatically improving communication and enhancing information exchange.

The Beijing Initiative on APEC Human Capacity Building (2001) indicates that human capacity building must be integrated into the economic and social strategies of APEC economies. The World Bank has concluded that a holistic approach to policy development and integration will be crucial in ensuring that the digital divide does not remain one of the greatest impediments to development.

A. Addressing the Digital Divide

Many factors contribute to the unequal distribution of ICT applications among various APEC economies. Disparities in infrastructure, connectivity costs, knowledge, capital, technology, human resources (including income levels), education, gender and geographic location are influential forces which result in part from differences in cultures and traditions, different stages of economic development and varying levels of understanding.

Inequality of access to ICT between developed and developing economies, or within an economy, is an essential feature of the digital divide. In sparsely networked regions, where access to the internet is limited, growth and development are likely to be delayed. The key to narrowing the digital divide is allowing all people to have easy and affordable access to ICT. A rapid transition toward “digital inclusion” for everyone is crucial in ensuring maximum development potential. This will require leadership, not only at the economy level, but also at local and regional levels as well as partnerships between government, business, education, and social institutions. Moreover, a comprehensive and holistic approach is the most effective way to benefit from available synergies and to ensure the impact of ICT deployment is optimized.

**Goals**

- To transform the digital divide into a digital dividend in order for APEC economies to benefit from the opportunities presented by a networked environment; and
- To prepare APEC economies and all of our people to use the information revolution as a passport to the New Economy.

**Actions**

- Complete and adopt the TEL’s Digital Divide Blueprint for Action to address digital divide issues identified by Leaders in Brunei;
- Further work to implement OAA (1995) Telecommunication and Information Common Policy Concepts in promoting diversity of content on the internet, including cultural and linguistic diversity;
- Enhance the construction by economies of appropriate information infrastructure, including access on a community level (e.g. cyber kiosks, telecenters, community technology centers);
- Encourage economies to make greater investment in ICT education;
- Encourage the APEC Knowledge Clearing House initiative to facilitate experience sharing among economies.
developed and developing economies;

- Encourage implementation of the outcomes of the UNDP’s Digital Opportunity Initiative to assist APEC economies to develop ICT strategies and comprehensive frameworks to use and deploy ICT, including:
  - Adopting policies to facilitate the spread of internet enabled wireless communications; and
  - Promoting activities to encourage experience-sharing and practical application of ICT experience.

- Promote the APEC-wide adoption of the recommendations in the Asian Development Bank’s 2001 strategy “Toward e-Development in Asia and the Pacific” to promote growth and development and reduce the uneven access to the internet;

- Promote on-going work within APEC to identify policy attributes that support and undergird successful ICT access and rollout environments;

- Capitalize on programs relevant to the region such as the G8, Dot Force, GBDc, and the e-ASEAN initiative to create a knowledge network as a resource for examining digital opportunities and policy positions to link ongoing resources and contacts in APEC economies to expand digital capability and skills; and

- Consider development of a network of Skill Development Centers (SDCs) and programs across the Asia Pacific region, in close collaboration with the business/private sector.

B. Building People’s Capacities

In order to establish a winning position in the New Economy, it is vital for APEC to develop a society and culture that place a high value on education and training. Enabling economies to access knowledge-based prosperity will involve governments and other stakeholders in providing comprehensive, high-quality education and training and skills development programs including basic education and distance learning. APEC economies should recognize the importance of ICT as a core competency for teaching and learning programs across APEC economies.

**Goals**

- To maximize access to high quality education, life-long learning and training through strong partnerships between governments, academic and business communities;
- To develop human resources capable of responding to the demands of the New Economy;
- To promote the development of skills to use the internet, especially for disadvantaged groups in society; and
- To utilize new learning technologies and practices provided by ICT.

**Actions**

- Continue efforts to achieve basic education for all;
- Continue APEC’s efforts, as emphasized by the directive to share strategies on the “Best Uses of IT in Education” from Education Ministers to promote quality education with an emphasis on ICT, to share information on challenges, opportunities and developments including distance learning and regional development programs;
  - Support the continuation and expansion of the EDNET project, Use of IT in a Learning Society: Exchanges and a Web Portal.
- Refine teaching capabilities, provide wider training opportunities, strengthen life-long learning, and cyber-education;
  - Encourage greater utilization of the APEC Education Foundation as a vehicle for advancing cyber education;
  - Support the APEC Cyber Education Cooperation Consortium, including the establishment of a web portal on teaching;
  - Initiate programs that utilize ICT to improve the quality of curricula, teaching methods and instructional materials;
  - Encourage the development of programs to increase computer literacy amongst teachers and students, internet utilization and ICT-based education in APEC economies;
- Encourage the development of web-based language learning programs that include web-based instruction and direct communication; and
- Encourage the development of effective vocational training programs that enables the workforce to face the rapid changes faced by industry.

- Encourage further work on special training programs sponsored by APEC economies and other organizations, including:
  - The Japanese funded ADB program for IT-related training;
  - The World Bank/Australia’s “Virtual Colombo Plan” initiative on distance learning;
  - The APEC Youth Internet Volunteers Program and other plans and programs to encourage knowledge sharing, teacher exchange and cyber-education cooperation; and
  - Digital learning projects led by industry.

- Encourage APEC economies to adopt and implement closer public-business partnerships to invest in education and bring innovative ideas and resources into the education system so as to improve access to affordable quality education;
- Maximize the opportunities provided by ICT to deliver quality distance, technical and vocational training and tertiary programs as well as improving the efficiency and effectiveness of scientific research networks and education administration; and
- Encourage broader information-sharing by APEC symposia in the areas of New Economy education, human resource development and internet-based skills.

C. Cooperation and Information Exchange

ICT has dramatically improved communication and information exchange, and has created and strengthened new economic and social networks. APEC economies must broaden cooperation to redress imbalances in ICT distribution and to harness the social and developmental benefits of the New Economy.

Using ICT to pursue development contributes to broad-based economic growth and specific development goals, and enables economies to distribute the benefits to all levels of the community.

**Goals**

- To overcome the social, economic and regional inequalities in the distribution of knowledge; and
- To foster cooperation, dialogue and consensus, so that all sectors of the community may work together to maximize the potential benefits of the New Economy.

**Actions**

- Develop best practice examples and menus of policy options to enable all APEC economies to promote social development through regional ICT expertise and resource sharing;
- Encourage APEC economies to participate in policy coordination on public internet resources governance, including activities of the Internet Corporation for Assigned Names and Numbers Government Advisory Committee (ICANN GAC);
- Ensure more extensive technical cooperation;
- Foster social inclusion of all sectors of the community in the New Economy by encouraging the establishment of mechanisms such as:
  - Multipurpose telecenters, community multimedia centers, distance education and skills building courses directly aimed at improving livelihood activities in the community;
  - Expanding access to telecommunications and information systems to impoverished communities through projects such as the ADB’s Grameenphone Telecommunications Project; and
  - Using ICT to enable health networks to extend medical services to a wider community and to address basic health issues.
- Promote networking amongst skill training providers within APEC economies toward mutual support and sharing of resources and experiences; and
- Strengthen cooperation with other organizations including the World Bank and the Asian Development Bank.
D. Entrepreneurship

Entrepreneurs play a key role in generating new ideas, developing new technologies, and bringing new products into the marketplace in a cost-effective manner. ICT provides increased scope for entrepreneurs to create innovative products, pioneer new markets and to drive forward economic development and social evolution.

Fostering enterprise and innovation requires a consistent, predictable and transparent legal structure and a tolerant and supportive social environment. Developing an environment that stimulates innovation and enterprise is a major task for government.

**Goals**
- To create an environment for encouraging enterprise and innovation to promote growth in business and new technologies; and
- To foster the development of innovation systems and venture capitalists’ entrepreneurial skills.

**Actions**
- Encourage APEC to develop Best Practice Guidelines for Entrepreneurship and Start-up Companies;
- Develop a series of best practice examples to promote entrepreneurship in APEC economies;
- Encourage setting up of policies to facilitate financing for entrepreneurs to start businesses;
  - Increase opportunities for young entrepreneurs from APEC economies to share experiences for innovation, entrepreneurship, trade and investment; and
  - Share experience on various APEC economies’ innovation systems.
- Encourage the SME Work Group to develop “a scorecard for entrepreneurship” as called for by PECC and ABAC;
- Take necessary steps to improve the basic infrastructure and technology by expanding bandwidth with greater accessibility and speed to rural areas and industrial parks; and
- Encourage business to undertake more activities with e-commerce such as order application, delivery, processing sales orders and procurement, and electronic sales transactions, which are currently not widely used, as these applications require a substantial amount of investment.

E. SMEs

SMEs are central to the economic development of APEC economies. Developing SMEs is a priority in promoting employment and growth, particularly for developing APEC economies. SMEs and micro-businesses are well-springs of creativity and innovation, and their success is essential for sustained economic growth of the APEC region.

The internet boom and the rapid diffusion of internet technology has given SMEs new opportunities to enhance their competitiveness and expand market access. SMEs are benefitting from new opportunities to enter the global marketplace and compete with large companies, and their importance in the emerging New Economy has been underscored.

**Goals**
- To create a competitive environment for SMEs in terms of market entry, cross-border trade and financial/tariff policies with more opportunities to promote their business; and
- To create a pro-SME environment for utilizing external resources at lower cost.

**Actions**
- Take steps to set up an APEC-wide mechanism for sharing information on startup enterprises, venture capital and capital markets;
- Make financial and capital markets more accessible to SMEs;
- Increase transparency in rules and regulations, and provide information and business contacts to SMEs,
including through e-government initiatives;
- Provide avenues for SMEs to improve their knowledge and skills through participation in APEC Human Capacity Building programs;
- Promote strategic alliances between large firms and SMEs, on the one hand, and strategic alliances among SMEs such as through industrial clusters, on the other hand, in the area of supply chain management;
- Increase the involvement of SMEs in relevant projects across APEC fora; and
- Prepare SMEs to remain productive in the face of rapid economic and technological changes;
  - Consider the establishment of an APEC SME portal linked to the APEC Website.

F. ICT Applications

A key element for the success of enterprises in the New Economy is the ability to effectively utilize ICT. ICT offers firms or individuals numerous opportunities to develop new ways to do business and results in reduced costs and improved efficiency. ICT also facilitates the transaction of business across geographical boundaries using innovative business models and the creation of new industries.

ICT can also provide opportunities for developing economies to make rapid economic progress and leapfrog stages of economic development, through increases in productivity, promotion of exports, improved markets and high-quality government services.

**Goal**

- To promote the extensive and effective utilization of ICT technology within the APEC region.

**Actions**

- Encourage greater application of ICT in traditional industries and SMEs to improve their economic performance;
  - Further develop APEC SME e-commerce training programs;
  - Progress the recommendations of the TEL Report, *APEC e-Business: What Do Users Need?*, and
  - Continue TEL vendor training programs.
- Build confidence in the use of ICT for business and consumers;
- Encourage more organizations, enterprises and individuals to acquire or exchange information via ICT;
- Encourage the electronic exchange of documentation for trade transactions by implementing APEC’s paperless trading action plans;
- Encourage the active participation of enterprises in the e-marketplace and global market and support e-commerce development programs for enterprises; and
- Encourage joint public and private sector cooperation in APEC wide activities to provide new opportunities in the ICT industry.
APEC LEADERS STATEMENT ON COUNTER-TERRORISM

Shanghai, People's Republic of China
21 October 2001

1. Leaders unequivocally condemn in the strongest terms the terrorist attacks in the United States on September 11, 2001, and express their deepest sympathy and condolences to the victims of a large number of nationalities and their families and to the people and Government of the United States of America.

2. Leaders consider the murderous deeds as well as other terrorist acts in all forms and manifestations, committed wherever, whenever and by whomsoever as a profound threat to the peace, prosperity and security of all people, of all faiths, of all nations. Terrorism is also a direct challenge to APEC's vision of free, open and prosperous economies, and to the fundamental values that APEC members hold.

3. Leaders reaffirm that it is more important than ever for every economy to forge ahead in its commitment in achieving Bogor's goal of free, open trade and investment.

4. Leaders deem it imperative to strengthen international cooperation at all levels in combating terrorism in a comprehensive manner and affirm that UN should play a major role in this regard, especially taking into account the importance of all relevant UN resolutions.

5. Leaders commit to prevent and suppress all forms of terrorist acts in the future in accordance with the Charter of the United Nations and other international law, pledge to implement the UN Security Council Resolution 1368 and 1373 faithfully and immediately, strongly support all efforts to strengthen the international anti-terrorism regime, call for increased cooperation to bring perpetrators to justice, and also call for early signing and ratification of all basic universal anti-terrorist conventions including the International Convention for the Suppression of the Financing of Terrorism.

6. Leaders are determined to enhance counter-terrorism cooperation in line with specific circumstances in their respective economies, through:

- Appropriate financial measures to prevent the flow of funds to terrorists, including accelerating work on combating financial crimes through APEC Finance Ministers' working Group on Fighting Financial Crime and increasing involvement in related international standard-setting bodies;
- Adherence by all economies to relevant international requirements for the security of air and maritime transportation. Leaders call on Transport Ministers to actively take part in the discussions on enhancing airport, aircraft, and port security, achieve effective outcomes as early as possible, and assure full implementation and cooperation in this regard;
- Strengthening of energy security in the region through the mechanism of the APEC Energy Security Initiative, which examines measures to respond to temporary supply disruptions and longer-term challenges facing the region's energy supply;
- Strengthening of APEC activities in the area of critical sector protection, including telecommunications, transportation, health and energy.
- Enhancement of customs communication networks and expeditious development of a global integrated electronic customs network, which would allow customs authorities to better enforce laws while minimizing the impact on the flow of trade.
- Cooperation to develop electronic movement records systems that will enhance border security while ensuring movement of legitimate travelers is not disrupted.
- Strengthening capacity building and economic and technical cooperation to enable member economies to put into place and enforce effective counter-terrorism measures.
- Cooperation to limit the economic fallout from the attacks and move to restore economic confidence in the region through policies and measures to increase economic growth as well as ensure stable environment for trade, investment, travel and tourism.

7. Leaders also pledge to cooperate fully to ensure that international terrorism does not disrupt economies and markets, through close communication and cooperation among economic policy and financial authorities.
1. Ministers from Australia; Brunei Darussalam; Canada; Chile; the People’s Republic of China; Hong Kong, China; Indonesia; Japan; the Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Republic of the Philippines; the Russian Federation; Singapore; Chinese Taipei; Thailand; the United States and Viet Nam participated in the Thirteenth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting in Shanghai on 17–18 October 2001. The APEC Secretariat was present. The Association of South-East Asia Nations (ASEAN) Secretariat, the Pacific Economic Cooperation Council (PECC), and the Pacific Island Forum (PIF) attended as observers.

2. The meeting was chaired by H.E. Mr. Tang Jiaxuan, Minister of Foreign Affairs and H.E. Mr. Shi Guangsheng, Minister of Foreign Trade and Economic Cooperation, of the People’s Republic of China. The theme for APEC 2001 was: “Meeting New Challenges in the New Century: Achieving Common Prosperity through Participation and Cooperation”. The agenda of the meeting was structured to reflect the three sub-themes of APEC 2001:
   a. Advancing Trade and Investment;
   b. Sharing the Benefits of Globalization and the New Economy; and
   c. Promoting Sustainable Economic Growth.

3. Since the end of last year, the slowdown in the United States, Japan and Europe has dampened the prospect of global and regional economy, with some members in the region affected considerably by the declining global demand. The recent terrorist attacks in the United States risk undermining some industries as well as consumer confidence. In the face of the less favorable global and regional economic environment, Ministers affirmed their confidence in the medium and long-term prospects of growth in the APEC region and agreed to strengthen cooperation to tackle the short-term economic difficulties. In this connection, Ministers reaffirmed the importance of promoting dialogue and cooperation with a view to achieving sustainable and common development. In addition, Ministers emphasized the importance of achieving the Bogor goals in accordance with the agreed timetables as a key element of APEC’s response to current economic conditions, and stressed the importance of structural reform and sound domestic policies to create a more favorable macro-economic environment for growth in the region.

**Advancing Trade and Investment**

**Strengthening the multilateral trading system**

4. Ministers firmly underlined their commitment to open regionalism and strong support for an open, equitable, transparent and rules-based multilateral trading system, as represented by the WTO.

5. Ministers reaffirmed the strong commitment to launch the WTO new round of multilateral trade negotiations in 2001. Given the global economic slowdown, Ministers agreed on the critical importance and urgency of successfully launching the round at the Fourth WTO Ministerial Conference to reenergize the global trading system.

6. Ministers called on parties concerned to demonstrate strong political will and flexibility in agreeing on a balanced and sufficiently broad-based agenda to launch the new round, which should include further
trade liberalization and the strengthening of WTO rules and reflect the interests and concerns of all members especially those of the developing ones, address the challenges in the 21st century and support the goal of sustainable development. Ministers urged that the new round focus on trade-related issues, including existing WTO rules and not duplicate the work of other international organizations. They further agreed that internal transparency within WTO will facilitate the participation of all members.

7. Ministers reaffirmed that the concerns of developing economies should be addressed through the effective implementation of special and differential treatment and ongoing effort for capacity building and technical assistance so as to facilitate their full participation in the WTO.

8. Ministers reaffirmed APEC’s determination on expediting the full and effective implementation of the Uruguay Round agreements and commitments, and called on the WTO to give due consideration to the concerns of members, especially developing ones, on the implementation issues emanating from the Uruguay Round agreements and commitments when formulating the agenda for the new round.

9. Recalling previous Leaders’ Declarations and Ministerial Statements, Ministers reaffirmed that APEC would actively and constructively contribute to the mandated WTO negotiations on agriculture and services.

10. Ministers reiterated their commitment to continuing to contribute to the WTO work on industrial tariffs and other related areas, without prejudice to the overall agenda for negotiations.

11. Ministers agreed to continue mobilizing APEC’s expertise to maintain and enhance the momentum of the WTO negotiations on services. In this respect, they recognized the progress made in 2001 on the APEC Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment, which will continue in 2002. Ministers expected this work to make an important contribution to the on-going WTO negotiations.

12. Ministers undertook to refrain from using measures that increase levels of trade protectionism. To this end, they reaffirmed their commitment to the APEC-wide moratorium on the imposition of custom duties on electronic transmissions until the Fourth WTO Ministerial Conference, and agreed to extend the moratorium until the Fifth Ministerial Conference. Ministers also supported a vigorous continuation of the WTO’s work program on E-commerce.

13. Ministers reaffirmed the importance of the implementation of APEC WTO-related capacity building Strategic Plan, as an unique, substantial and value-adding contribution to strengthening the participation of developing economies in the multilateral trading system, improving the implementation of existing commitments, and building confidence for a WTO new round. They recognized the initiative as a concrete example of the way in which technical and economic cooperation in APEC and the policy commitment to trade liberalization can be mutually reinforcing. In this regard, Ministers commended progress made on a number of projects and noted that twelve TILF projects in support of the plan have received funding this year. They stressed the need for new projects to be accorded continued priority in allocating the APEC TILF fund in accordance with the established TILF approval process, decided that both developed and developing members would continue to prioritize as appropriate the plan in the developmental programs, and affirmed the importance of involving bilateral development agencies, relevant regional and international organizations including WTO, ADB and World Bank in implementing the plan.

14. Ministers congratulated China on the successful conclusion of negotiations on its accession to the WTO. They urged that China’s accession be finalized at the forthcoming WTO Ministerial Conference. Ministers also reiterated strong support for approval of accession to the WTO by Chinese Taipei at that Conference and the advancement of WTO accession by the Russian Federation and Viet Nam.
Ministers supported the participation of all acceding economies in the new round of WTO negotiations.

**Trade and Investment Liberalization and Facilitation (TILF)**

**Individual Action Plans**

15. Reaffirming the central role of Individual Action Plans (IAPs) in achieving APEC’s trade and investment liberalization and facilitation goals, Ministers commended the refinements and improvements made to the e-IAP system to enhance its functionality and user friendliness. They also welcomed the presentation of 2001 IAPs by member economies in the e-IAP system and recognized the usefulness of delivering further technical assistance in their preparation. Ministers encouraged member economies to publicize the new e-IAP system to their business communities and work with the private sector to ensure that the system meets its needs. They commended the Russian Federation for the submission of its IAP for peer review this year.

16. Acknowledging the need for the IAP peer review process to be further strengthened, Ministers endorsed the proposal for strengthening the IAP peer review process, including organizing the IAP Review Teams to conduct studies of economies under review. The new process is aimed at increasing the rigor of the peer review regime and encouraging member economies to make greater progress in achieving the Bogor Goals. They affirmed that the principle of voluntarism should be respected. For this purpose, they decided to use the APEC funding including the TILF special account through the funding approval process. Ministers welcomed the offer made by Mexico and Japan to submit their IAPs for review under the new peer review process in 2002. They also called on other member economies to actively participate in this process.

**Review of OAA Part I**

17. As a major roadmap providing the guidelines for achieving the Bogor Goals, the OAA must remain relevant for APEC to face the emerging global challenges and to seize new opportunities in the new century. Ministers thus endorsed the updated OAA Part I, which reflects the new changes and developments in the area of trade liberalization and facilitation since 1995. The major elements include a commitment to progressive reduction of tariffs until the Bogor goals are fully achieved, a commitment to progressively reducing NTMs to the maximum extent possible to minimize possible distortion to trade, and a commitment in the services area to provide for the fair and transparent development, adoption and application of regulations and regulatory procedures in regulated service sectors. Ministers further underlined the strategic significance of the updated OAA Part I in providing a long-term framework for advancing APEC TILF agenda. Ministers encouraged member economies to take the updated OAA Part I into account when updating their IAPs for 2002 and beyond.

**Collective Action Plan**

18. Ministers approved and endorsed the Annual Report of the Committee on Trade and Investment (CTI) and the revised/enhanced Collective Action Plans (CAPs) it contains. Emphasizing the importance of the CAPs in ensuring APEC is on track towards Bogor Goals, Ministers welcomed the commendable progress CTI made in implementing CAPs in 2001 and highlighted some key achievements, which included,

- the further expansion of the CAPs to intensify work on Non-Tariff Measures (NTMs);
- the completion of APEC Principles on Trade Facilitation;
- the completion of the new CAPs on Intellectual Property Rights;
- the completion of the review and revision of the Mid-term Technical Infrastructure Development Program; and
- the completion of an assessment/evaluation of the thirteen SCCP CAP items.
19. Ministers welcomed the progress report and its achievements from the APEC Automotive Dialogue and encouraged the Dialogue to continue its work. They took note of the ongoing reform and economic and technical cooperation activities in the automotive sector. Ministers also took note of the establishment of the Chemical Dialogue and welcomed Mexico’s offer to host the first Chemical Dialogue in 2002.

20. Ministers welcomed the report *APEC Economies Breaking Down the Barriers: Case studies in regulatory and administrative reforms*, which indicated that the reforms undertaken by APEC members had generated significant economic benefits. Ministers also noted the importance of adopting the revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures, and encouraged the adoption of the Convention at the earliest possible opportunity.

21. Ministers directed CTI to continue to give priority in its 2002 work program, to producing tangible deliverables in CAPs, as envisaged in the Osaka Action Agenda.

22. Ministers welcomed the success of the Second APEC Investment Mart held in Yantai, the People’s Republic of China, during 9–15 June 2001. They reiterated the importance of ensuring stable investment flows into the APEC region. In this regard, Ministers welcomed the offer by the Russian Federation and Thailand to host the Third and the Fourth APEC Investment Marts in 2002 and in 2003 respectively. Ministers also welcomed the project to review current literature on cross-border mergers and acquisitions to enable better understanding of its development on investment flows.

23. Emphasizing the benefits of trade facilitation, Ministers instructed officials to identify concrete actions and measures to implement the APEC Trade Facilitation Principles in 2002 to promote the flow of goods and services in the region, and stressed that capacity-building should remain a central component of APEC’s work on trade facilitation.

24. Recognizing the importance of enhancing the mobility of business people as a means to facilitate APEC trade and investment goals, Ministers noted the progress made in the APEC Business Travel Card Scheme and welcomed the participation of the People’s Republic of China and Chinese Taipei in the scheme, leading to a majority of APEC members being part of the Scheme. Ministers also commended the progress of capacity building strategies towards implementing streamlined border processing of genuine travelers, and noted the multilateral Advance Passenger Processing (APP) trial as a new technology standard in regional travel facilitation system. Ministers supported the Informal Experts’ Group on the Mobility of Business People (IEGBM) capacity building strategies, which uses agreed standards for economies to improve their immigration capacity and contributes to the APEC goals of facilitating trade and investment.

25. Ministers emphasized the importance of strengthening competition in the APEC region and welcomed the Mexican proposal to host a training program in 2002 on promoting competition in regulated sectors so as to enhance interaction among APEC economies in this field. Ministers also welcomed the proposal of Mexico to hold a workshop on regional and bilateral investment rules and agreements.

26. Ministers praised the work that the CTI has done over the past year and expressed appreciation to Mr. Joe Damond for his contribution as CTI Chair. Ministers also welcomed Ms. Ng Kim Neo to serve as the CTI Chair for the next two years commencing in 2002.
Sharing the Benefits of Globalization and the New Economy

**Human Capacity Building Initiatives**

27. Ministers recognized that human capacity building is a vital means to meet the challenges of Globalization and the New Economy, and affirmed its importance as one of the core priorities in APEC. Ministers applauded the various initiatives undertaken in this respect, particularly the Beijing Initiative adopted at the APEC High Level Meeting on Human Capacity Building and agreed to submit the Beijing Initiative to Leaders as a way to provide opportunities for further work on human capacity building in the context of the New Economy. Ministers also supported the engagement of all key stakeholders in the region and the development of tripartite partnerships between government, business, academic and training institutions for this purpose. Ministers welcomed the “Human Capacity Building Promotion Program” as a follow-up project to the Beijing initiative. Ministers instructed Senior Officials, working through APEC fora, to further develop and carry out initiatives for future work as appropriate to translate the shared vision into action. Ministers also noted the benefits of active engagement with the private sector in the provision of IT training.

28. Ministers welcomed the significant progress in formulating an APEC Human Capacity Building Strategy on New Economy done by the Human Capacity Building Coordinating Group (HCBCG) as an effective response to the present and future need for transforming the “digital divide” into “digital opportunities”, so that the opportunities of the New Economy can be widely shared in the APEC region and encouraged HCBCG to finish their work by SOM I 2002, with the active participation of all working fora and economies. Ministers urged implementation of the human capacity building projects, including Information Sharing and Best Practices on Teleworking and Preparing Human Resources for the New Economy. Ministers also welcomed Thailand’s proposal to explore the possibility of networking schools in APEC economies and instructed SOM to examine the proposal.

29. Ministers welcomed the outcome of the Fourth APEC Human Resources Development Ministerial Meeting, held in Kumamoto, Japan and commended the significant progress in achieving human resources development goals. Ministers resolved to increase APEC’s understanding of the forces that shape and drive the New Economy, inter alia, by increasing access to quality basic education, skills training-retraining and lifelong learning to address the challenges that it presents to the workforce of the 21st century, and to foster an environment which assures greater access to the opportunities generated. Ministers welcomed the meeting’s focus on knowledge and skills development, formulation of proactive labor market policies, and involvement of stakeholders such as labor and business.

30. Ministers expressed their appreciation to the APEC Education Foundation for its leadership in launching the APEC Cyber Education Cooperation Consortium and recognized the Foundation’s potential as a useful vehicle for HCB efforts, especially in the area of cyber education cooperation. Ministers encouraged further participation in the work of the Foundation and the Consortium by member economies, business, academia and other stakeholders with a view towards realizing an APEC cyber education community.

**ECOTECH Issues**

31. Ministers endorsed the SOM Report on ECOTECH and its recommendations. Ministers reaffirmed the role of ECOTECH in contributing to sustainable growth and achieving common prosperity. Ministers commended the progress made this year in advancing the ECOTECH agenda and reinforcing the complementarity of TILF and ECOTECH. Ministers also recognized the need for APEC to interact with bilateral, regional, and international organizations and financial institutions with a view to fostering cooperation, broadening support and leveraging financial resources to boost ECOTECH activities.
32. Since its inception, SOM Subcommittee on ECOTECH (ESC) has played a significant role in managing and coordinating ECOTECH activities to ensure a more effective and action-oriented agenda. Ministers endorsed the work that ESC has done over the past year and expressed appreciation to Dr. Medhi Krongkaew for his excellent contribution as the ESC Chair. Ministers also welcomed Ambassador Elard Escala from Peru to serve as the incoming ESC Chair and the Senior Official of the Philippines as the Vice Chair for the next two years commencing in 2002. Ministers also directed Senior Officials to review the function and mandate of the ESC with a view to making recommendations to the next Ministerial Meeting on any adjustments required to ensure the most effective possible leadership and coordination of APEC’s ECOTECH work.

33. Ministers welcomed the development of ECOTECH Action Plans (EAPs) in the area of Human Resources Development as a pilot and affirmed its role in substantially enhancing the opportunity for cooperation in the field of HRD, and facilitating a more focused and intensified agenda. Ministers welcomed the submission of EAPs by 16 economies and encouraged continued and broader participation.

34. Ministers commended the completion of updating Osaka Action Agenda (OAA) Part II and its Annex. Ministers reaffirmed the role of OAA in shaping the road map for APEC in the new century. The revised OAA Part II incorporates new initiatives and priorities since 1995, and will continue to function as a fundamental guide in future ECOTECH activities. Ministers also instructed Working Groups to make sure their future activities are consistent with the updated OAA Part II and include in their annual report to the SOM information on the implementation of OAA Part II so that progress can be monitored.

35. Ministers commended the completion of the first APEC Science & Technology Policy Forum held in Penang, Malaysia, which was organized by the Industrial Science and Technology Working Group (ISTWG). The Forum identified numerous recommendations for building innovation capacity within APEC economies and fostering linkages among science, technology and innovation communities across APEC. Noting the contribution to the success of the Forum made by the participation of academic, business, and other non-governmental groups, Ministers urged the ISTWG to continue to involve these stakeholders in implementing these recommendations.

**APEC Food System (AFS)**

36. Reaffirming the importance of addressing the three areas of the AFS on rural infrastructure development, promotion of trade in food products, and dissemination of technological advances in food production and processing, Ministers welcomed and endorsed the SOM report on the implementation of the AFS. They also asked the Senior Officials to give further thought to ways to increase the momentum in AFS implementation, requested SOM to report annually on progress in implementation of the AFS recommendations, and instructed officials to examine how to respond to ABAC’s recommendations on the AFS in 2000 and 2001.

**Biotechnology**

37. Ministers reaffirmed the importance of transparent and science-based approaches to risk assessment and management in the introduction and use of biotechnology products, and of technical cooperation, and information exchange on new technology and capacity building in this area. They recognized the importance of economies’ efforts to enhance consumers’ awareness, confidence and understanding of biotechnology products to facilitate the realization of the potential benefits of this technology.

38. Ministers endorsed the SOM Report on Agricultural Biotechnology and asked Senior Officials to report on progress next year. They welcomed the initiative to hold a policy-level dialogue on agricultural biotechnology and requested Senior Officials to report on progress in 2002.
Infectious Disease

39. In recognition of the challenges posed by infectious diseases, Ministers endorsed the APEC Strategy to address HIV/AIDS and other infectious diseases and commended the efforts and contribution made by ISTWG in developing the strategy in less than a year. Ministers asked related APEC fora, notably the ISTWG to take actions as laid out in the Strategy in the six categories of electronic networking, surveillance, outbreak response, capacity building, partnering across sectors, and political and economic leadership. Ministers also noted that the APEC Healthcare Services Accreditation Project and a project to conduct training in infectious disease surveillance were approved at the 21st meeting of the ISTWG in Penang, Malaysia. Ministers welcomed these initiatives in response to the APEC Infectious Disease Strategy and requested ISTWG to report outcome to the SOM.

Strengthening the Functioning of Markets

40. Ministers commended the significant efforts made by member economies in strengthening the functioning of markets, which complement the APEC trade and investment liberalization and facilitation process. Acknowledging the importance of developing transparent, favorable and predictable policy as well as legal and regulatory environment for business, Ministers:

- Took note of the progress made regarding the APEC-OECD Cooperative Initiative on regulatory reform led by Peru, welcomed the outcomes arising from the Opening Conference of the Initiative held in Singapore, the First APEC-OECD Workshop on Regulatory Reform held in Beijing on 19–20 September 2001 and commended Mexico’s offer for hosting the Second Workshop;

- Took note of the work of the coordinating group on Strengthening Economic Legal Infrastructure led by Australia, Japan and Peru, particularly the completion of Menus of Options for Strengthening Economic Legal Infrastructure, called for early implementation and the development of cooperative projects in capacity and institutional building, corporate law and competition policy, based on the Cooperation Framework, and urged continuous efforts in building capacity and skills of individuals, institutions and agencies in developing and applying commercial, corporate and competition law;

- Took note of the progress made in the cooperation program in the area of SME and New Business Support, and welcomed the progress achieved in the Cooperation Programs, which consists of holding seminars, dispatching experts and related activities, based on the Evolving Cooperation Initiative by Japan;

- Endorsed the Guidelines for Good Corporate Governance Practice developed by PECC and encouraged APEC members to implement the Guidelines on a voluntary basis;

- Welcomed the Guidelines of Best Practices for Entrepreneurship and Start-up Companies, which was the principal outcome of a Symposium in this regard held on 2–3 August 2001 in Chinese Taipei, and encouraged relevant APEC fora to apply the Guidelines to their future work; and

- Recognized the importance of capacity building for the implementation of APEC Principles to Enhance Competition and Regulatory Reform, and welcomed further work in this area, such as training programs.
New Economy Issues

E-APEC

41. The information technology revolution is one of the major forces transforming the world and the APEC region into the 21st century. Ministers reaffirmed their confidence in the immense potential of Information and Communications Technology (ICT) and its applications in upgrading the welfare and living standard of our people in the APEC region. Ministers emphasized the importance of the development of New Economy, the ICT revolution and its applications.

42. As instructed by the Leaders, a long-term, forward-looking and action-oriented e-APEC Strategy has been formulated by developing and expanding the Action Agenda for New Economy this year. Ministers commended the efforts made by the e-APEC Task Force, and endorsed the e-APEC Strategy, which demonstrated APEC’s resolve to spur ICT development with the vision of an approaching digital society. Ministers urged members to take concrete and concerted actions to implement the e-APEC Strategy so as to maximize the benefits of the ICT revolution, address the digital divide and benefit from the opportunities presented by the emerging New Economy.

43. The e-APEC Strategy consists of the following three pillars:
   • **Create an environment for strengthening market structure and institutions;**
     Ministers urged economies to implement appropriate policies and actions to promote sustainable and sound macroeconomic policy framework, sustained structural reform, an effective competition regime, good financial and corporate governance, etc. and actions to promote sustainable growth.
   • **Create an environment for infrastructure investment and technology development;**
     Ministers encouraged economies to create a policy environment conducive to competitive investment and the widespread uptake of beneficial technologies.
   • **Enhance human capacity building and entrepreneurship development.**
     Ministers urged economies to take actions to improve human capacity building and promote entrepreneurship. Ministers also encouraged economies to develop innovation-oriented policies and promote the participation of SMEs in New Economy activities.

44. Ministers urged member economies to take concrete actions to turn the e-APEC vision into reality, which would definitely help facilitate spreading the benefits of the New Economy, enhancing the momentum of economic development and revitalizing not only regional, but also the global economy. Ministers encouraged member economies and relevant APEC fora to implement the e-APEC Strategy through broad cooperation and collaboration. In this regard, Ministers directed Senior Officials, in cooperation with the Finance Deputies, where appropriate, to facilitate and oversee the process of implementing the Strategy and report the outcomes to the responsible Ministers at their next year’s meeting in Mexico. Ministers welcomed the report on progress in developing the Network of Skills Development Centres and encourage full participation by members.

E-commerce

45. Ministers noted and welcomed the progress made by Electronic Commerce Steering Group (ECSG) on promoting and coordinating E-commerce-related activities across APEC sub-fora, including the completion of the APEC 2001 Electronic Commerce Stocktake. In this regard, Ministers endorsed the recommended work program on E-commerce in APEC. Ministers also endorsed the proposal by the ECSG to develop APEC guidelines for online consumer protection and noted the proposal to organize a public/private sector forum regarding online privacy and E-commerce during 2002.

46. Noting the different roles of private and public sectors in promoting the development of E-commerce as well as the needs to strengthening the linkage between them in this field, Ministers endorsed the
proposal of the establishment of the APEC E-commerce Business Alliance. Ministers also welcomed the proposal to strengthen economic and technical cooperation in the area of E-commerce with a view to narrowing the gap between member economies in the application of E-commerce.

47. Ministers welcomed Individual Action Plans on Paperless Trading submitted by some member economies, encouraged other member economies to participate in the delivery of Paperless Trading IAPs, and instructed SOM to report on progress to the MRT Meeting in 2002. Ministers also welcomed the report on Paperless Trading: Benefits to APEC, and encouraged APEC members to reduce regulatory and institutional barriers to paperless trading.

48. Ministers recognised the growth of global electronic commerce and the importance of a legal and policy framework which both ensures business and public confidence and avoids unnecessarily restrictive trade barriers while respecting national policy objectives in order to allow E-commerce to develop its full potential to create new opportunities for trade.

Other Existing and New Initiatives

49. Ministers welcomed the progress report made by lead economies on various existing and new initiatives on e-APEC activities. Ministers welcomed the implementation of Phase I of the project on Transforming the Digital Divide into a Digital Opportunity by Chinese Taipei and urged the early implementation of Phase II work in 2002. Ministers welcomed Korea’s offer to host a high-level conference on strengthening APEC cooperation for establishing e-government, and a seminar on empowering people with disabilities in the Information and Technology (IT) age in 2002. In response to Vietnam’s New Economy Initiative on Strengthening the Legal Framework for E-Commerce, Ministers agreed to convene an E-Commerce Legal Infrastructure Workshop at the 25th TEL meeting in 2002 in Hanoi, Viet Nam.

50. Ministers reaffirmed commitments to triple access to the Internet by 2005, and to ensure that all groups within an economy have access individually or through community-based services to the Internet by 2010; and they commended the TEL for developing a Digital Divide Blueprint for Action and called for its completion and implementation.

51. Ministers welcomed efforts and policy findings by TEL on ICT development and diffusion, for the creation of a policy environment in the APEC region for universal access, the liberalization of the market, the realization of digital opportunities, and the security of information infrastructure and networks. Ministers recognized the important role of the private sectors in developing and diffusing ICT and encouraged enhanced cooperation among members and all stakeholders with the effective leadership of governments in upgrading capacity into a digital and prosperous future. In this regard, Ministers instructed the e-APEC Task Force, TEL, ECSG, HRD, and SME WGs, and other APEC fora to continue their endeavors in carrying forward the e-APEC activities in various areas within APEC and enhance their cooperation in ICT development in the region.

Development of SMEs

52. Ministers welcomed the outcomes from the 8th SMEs Ministerial Meeting held in Shanghai under the theme of “New Century, New Challenges: Innovation and Environment for SME Development”. They acknowledged the vital role and importance of SMEs in promoting economic recovery and long-term sustainable economic growth. Ministers urged member economies to consider the key strategies recommended by the SME Ministerial Meeting in the development of SMEs and continue to examine thoroughly the obstacles faced by SMEs. The recommendations identified are: Advancing Technological Innovation through Cooperation, Facilitating Financing and Improving the Environment for SME Development.
53. In times of economic uncertainty, Ministers acknowledged the need to redouble efforts to support growth and development of small and micro enterprises. Recognizing the importance of enhanced cooperation in human capacity building and information sharing for the benefit of SMEs across the Asia Pacific region, Ministers welcomed efforts by the Philippines and Canada as lead economies’ to further on-going SME programs for training and certification of APEC SME Counselors and developing commercial alliances under the Business Partnership Initiative for SMEs. Ministers welcomed the “International Cooperation Forum on Innovative Management Skills” to be implemented by Russia in 2002 and encouraged active participation by all economies. Recognizing the benefits to SME policy makers to better serve SME constituencies across APEC, Ministers also endorsed the “Voluntary Visitor Program for APEC SME Government Officials” and called for the United States to hold the program next spring and report on results to the 9th APEC SME Ministerial Meeting in August 2002.

Sectoral Ministerial Meetings

54. Ministers took note of the report presented by Peru regarding the postponement of the 3rd Transportation Ministerial Meeting due to the cancellation of the Ministers of several members after the terrorist attacks in the United States last September, and welcomed Peru’s offer to host the event in March 2003.

55. Ministers welcomed the progress made towards assisting economies to implement the operational plan under Transportation Working Group including the progress in implementing the recommendations for more competitive air services on a voluntary basis. Ministers noted the ongoing efforts in transportation safety and security, and supported efforts to promote international cooperation for the suppression of terrorism, piracy, and armed robbery.

56. Ministers welcomed Korea’s offer to host the 1st APEC Ocean Related Ministerial Meeting in 2002 and recognized that, it would contribute to strengthening cooperation on sustainable marine and fisheries resources development.

57. Ministers acknowledged that the review on the implementation of initiatives of APEC Sectoral Ministerial Meetings is vital to ensuring the overall effectiveness of the APEC process. Ministers commended officials for their efforts and directed them to urge APEC fora to continue to implement the decisions and initiatives of various Sectoral Ministerial Meetings.

Promoting Sustainable Economic Growth

Economic Committee Report

58. Ministers endorsed the Economic Committee (EC)’s Report for 2001 and welcomed the progress made in its four core projects: (1) 2001 APEC Economic Outlook; (2) the New Economy and APEC; (3) the Benefits of TILF; (4) the Implementation Plan for KBE Recommendations. Ministers welcomed the 2001 APEC Economic Outlook especially its thematic study on financial development and economic growth, which is particularly timely in face of the current global economic slowdown and member economies’ collective resolve to foster long-term economic vitality. They also endorsed The New Economy and APEC report that offers a conceptual framework and useful elements for creating an environment in which the New Economy could develop. Ministers acknowledged the importance of the Benefits of TILF projects, which emphasized the creation of more open and free trade and investment environment. Ministers urged the continuous implementation of the KBE Recommendations and instructed the EC to continue its work on KBE issues.
Interaction with the Finance Ministers’ Process

59. Ministers welcomed the outcomes from the 8th APEC Finance Ministers’ process, and were encouraged by the efforts and contribution made by the Finance Ministers under the policy theme of “Growth with Restructuring, Stability and Equity” in the year of 2001. They acknowledged the important role of the Finance Ministers’ process in taking appropriate policies in a timely manner and constructing a stronger macroeconomic foundation for the region in the long run.

60. Ministers welcomed the practice of strengthening linkages and communications between the Finance Ministers’ process and the SOM process in 2001 with a view to ensuring the work programs coordinate and complement each other. Given the current global and regional economic downturn, Ministers further underlined the importance of continuing the inter-process briefing and exchange of views between the Finance Ministers’ process and SOM on a regular basis so as to facilitate information sharing and coordination.

61. Ministers welcomed the APEC Finance and Development Program proposed by China, which aims at enhancing capacity building in the areas of financial market management especially for developing economies across the APEC region.

62. Ministers also welcomed the report “Towards Better Company Accounting and Financial Reporting” prepared for and accepted by the APEC Finance Ministers, and encouraged member economies to raise awareness of the importance of robust financial reporting, accounting, auditing and enforcement practices supported by a sound legal, professional and regulatory infrastructure.

Social Impact of the Crisis

63. Ministers welcomed the recommendations of the Ad Hoc Task Force on Strengthening APEC Social Safety Nets (SSN). They endorsed the proposed establishment of an APEC SSN Capacity Building Network that, in the first instance, would focus on capacity building to implement the SSN recommendations made by the Finance Ministers and in the study conducted in the HRDWG. Ministers welcomed the proposals by Korea and Thailand to co-organize an international meeting to address specific capacity building issues on SSN.

Energy

64. Energy security stands as an important issue for economic development and regional prosperity. In light of the terrorist attacks in the United States, Ministers directed the EWG to intensify its work on strengthening the security and reliability of affordable energy to all in APEC, through such means as exchange of information and experience on oil stockpiling, on facilitating energy efficiency and conservation, and on facilitating improved stability in the provision of energy supply to meet demand. They called for further energy technology development, exchange, application and deployment, and for the facilitation of a diverse and efficient supply mix to avoid the risks posed to the economy by volatility in the international oil market. Ministers welcomed the progress made on the Energy Security Initiative and directed the EWG to implement the concrete work in the progress report on the Initiative. They also called on economies to encourage greater private sector involvement in the EWG work program and the EWG to cooperate closely with the EWG Business Network. Ministers requested Senior Officials to report in 2002 on progress made in the Initiative.
Interaction with the Community

Dialogue with ABAC

65. Ministers welcomed the ABAC Report to Leaders, *Common Development through Market Opening, Capacity Building and Full Participation*. They noted the four key messages to the Leaders, calling on APEC economies (1) to accelerate progress towards the Bogor Goals of trade and investment liberalization and facilitation; (2) to demonstrate strong support for the launch of new WTO round; (3) to take decisive measures to stimulate economic growth and accelerate financial reforms; and (4) to adopt a balanced approach to globalization that combines market opening, capacity-building and full participation. In light of the broadening and deepening of regional and global economic integration, Ministers noted that the four messages presented by the ABAC Report contribute to the APEC process in the new century. Ministers recognized that regular consultation with business, including SMEs, would ensure that APEC work remains focused and has practical usefulness for business. Ministers also noted the importance of the BizAPEC website for APEC’s engagement and communication with business.

Youth

66. Ministers commended China and Canada for their initiative in organizing the highly successful APEC Youth Festival/Young Leaders and Entrepreneurs Forum, welcomed in particular the complementarity between this event and APEC work in connection with engagement with the private sector, the new economy and human capacity building, and encouraged that complementarity with the APEC agenda be a key characteristic of future APEC projects aimed at young people.

67. Ministers commended Mexico’s offer to organize the 2002 APEC Youth Festival.

Framework for Integration of Women

68. Ministers commended Ad-hoc Group on Gender Integration (AGGI)’s achievements over the past two years and endorsed SOM’s report on the Implementation of the Framework for the Integration of Women in APEC. They endorsed SOM’s recommendations including the extension of AGGI’s term to the end of 2002 in order to enable it to complete its work.

69. Ministers emphasized the importance of and their commitment to the involvement of women in the activities of APEC. They instructed officials and APEC fora to continue to ensure that women are involved in and benefit from their work. Ministers tasked officials to complete the development of monitoring mechanisms to ensure the sustainability of gender mainstreaming initiatives in APEC.

70. Ministers welcomed Mexico’s offer to host the Second Ministerial Meeting on Women in 2002, and urged members to ensure full participation in the lead up to and during the meeting. Ministers took note of the proposed research project on fostering SMEs and micro-businesses through IT capacity-building for women.

Communications and Outreach Strategy

71. The movement towards global integration presented the greatest opportunity to deliver higher living standards and improved social well-being for APEC communities. Ministers reaffirmed that the benefits of globalization should be shared by and be better communicated to APEC communities. In this regard, Ministers welcomed the report on “Globalisation and Poverty: Turning the Corner”. Ministers also noted that ABAC has expressed its intentions to improve its outreach and encouraged continuous efforts in fostering productive partnership and cooperation with the private sector.
72. In this regard, Ministers accepted the SOM Report on APEC Interaction and on Public Outreach and Communications, reinforcing the importance for APEC of ensuring appropriate community engagement and input in its work, and endorsed the APEC Communications and Outreach Strategy. In this connection, they welcomed commitments by economies to provide resources to support APEC-wide work in outreach, as well as to encourage domestic programs that explain APEC’s work and the benefits of open markets. Ministers further instructed relevant APEC fora to identify and invite the participation of outside groups that can make a contribution to their work. Ministers also directed Senior Officials to make further progress in examining the possibility of simplifying the management and administration of the guidelines on non-member participation within the existing policy principles and report the result next year.

Management Issues

2002 Budget

73. Ministers endorsed the SOM Chair’s report on budget and management issues and approved the contributions from member economies for 2002 to the APEC Central Fund totaling US$3,338,000 and the 2002 budget totaling US$8,576,395.

74. Ministers further instructed Senior Officials to continue their work in improving efficiency and effective use of time in all APEC fora, particularly by undertaking further work in the area of reporting requirements and project-related procedures, as well as clarifying a standard expectation of Secretariat support for APEC fora, and to report to the next Ministerial meeting on the progress made.

APEC Secretariat

75. Ministers took note and welcomed the report of the Executive Director of the APEC Secretariat, and expressed their appreciation to Amb. Zhang Yan and the staff of the Secretariat for their devotion and contribution to the APEC process. Ministers also thanked the Singapore government for its generosity in constructing a new office building for the Secretariat to be ready in 2002.

Other Issues

Statement by Observers

76. Ministers took note of the statements by ASEAN Secretariat, PECC and PIF.

APEC 2002

77. Ministers thanked Mexico for the briefing on preparations for the Fourteenth APEC Ministerial Meeting and the Tenth APEC Economic Leaders’ Meeting in Los Cabos, Mexico. The preliminary list of priority issues embodies, *inter alia*:

- Growth policies for the new economy, including appropriate trade and investment, macro-economic, financial and business facilitation policies;
- Building capacities to reap the benefits of economic development including the promotion of SMEs and micro-enterprises;
- Making APEC a more relevant forum to our people, including fostering greater participation of youth and women, stepping up our efforts in communicating the benefits of globalization and the improvement of the functioning of APEC.
The overall framework is to implement our shared vision of expanding the benefits of economic growth and development.

**Future Meetings**

78. Ministers noted the 2003 to 2005 Ministerial Meetings will be held in Thailand, Chile and the Republic of Korea respectively.
THE OSAKA ACTION AGENDA

Implementation of the Bogor Declaration

(2001 Update)

PART ONE: LIBERALIZATION AND FACILITATION

SECTION A: GENERAL PRINCIPLES

The following General Principles will be applied to the entire APEC liberalization and facilitation process under the Action Agenda to achieve the long-term goal of free and open trade and investment no later than the year 2010 in the case of industrialized economies and the year 2020 in the case of developing economies.

1. COMPREHENSIVENESS
   The APEC liberalization and facilitation process will be comprehensive, addressing all impediments to achieving the long-term goal of free and open trade and investment.

2. WTO-CONSISTENCY
   The liberalization and facilitation measures undertaken in the context of the APEC Action Agenda will be WTO-consistent.

3. COMPARABILITY
   APEC economies will endeavor to ensure the overall comparability of their trade and investment liberalization and facilitation, taking into account the general level of liberalization and facilitation already achieved by each APEC economy.

4. NON-DISCRIMINATION
   APEC economies will apply or endeavor to apply the principle of non-discrimination between and among them in the process of liberalization and facilitation of trade and investment.

   The outcome of trade and investment liberalization in the Asia-Pacific region will be the actual reduction of barriers not only among APEC economies but also between APEC economies and non-APEC economies.

5. TRANSPARENCY
   Each APEC economy will ensure transparency of its respective laws, regulations and administrative procedures which affect the flow of goods, services and capital among APEC economies in order to create and maintain an open and predictable trade and investment environment in the Asia-Pacific region.

6. STANDSTILL
   Each APEC economy will endeavor to refrain from using measures which would have the effect of increasing levels of protection, thereby ensuring a steady and progressive trade and investment liberalization and facilitation process.

* Liberalization and facilitation are treated together in this part due to their inseparable nature in achieving our goal of free and open trade and investment in the Asia-Pacific. The economic and technical cooperation dealt with here is that which directly supports liberalization and facilitation.
7. **SIMULTANEOUS START, CONTINUOUS PROCESS AND DIFFERENTIATED TIMETABLES**
   APEC economies will begin simultaneously and without delay the process of liberalization, facilitation and cooperation with each member economy contributing continuously and significantly to achieve the long-term goal of free and open trade and investment.

8. **FLEXIBILITY**
   Considering the different levels of economic development among the APEC economies and the diverse circumstances in each economy, flexibility will be available in dealing with issues arising from such circumstances in the liberalization and facilitation process.

9. **COOPERATION**
   Economic and technical cooperation contributing to liberalization and facilitation will be actively pursued.

**SECTION B: FRAMEWORK FOR LIBERALIZATION AND FACILITATION**

The APEC process of liberalization and facilitation toward achieving the goals set out in the Bogor Declaration will comprise:

a. actions by individual APEC economies;
b. actions by APEC fora; and
c. APEC actions related to multilateral fora,

acknowledging that APEC economies that are ready to initiate and implement cooperative arrangements may proceed to do so while those that are not yet ready to participate may join at a later date. This process will be conducted in accordance with the General Principles, addressing the areas listed in Section C.

**ACTION PROCESS**

**Preparation**
Action Plans were introduced immediately after the Osaka Economic Leaders’ Meeting. Overall implementation of Action Plans began from January 1997. The Action Plans elaborate steps toward achieving the objectives set out in Section C, including both concerted unilateral actions to be taken in line with issue-specific guidelines and collective actions. They will contain specific and concrete details, with time frames, for the near to medium-term, while outlining the basic direction toward 2010 in the case of industrialized economies and 2020 in the case of developing economies.

**Consultation**
APEC economies commenced informal consultations on the development of Action Plans immediately after the Osaka Economic Leaders’ Meeting. They agreed that the consultation process will be an ongoing collective effort of a confidence-building nature in order to facilitate exchange of information on progress in the preparation of Action Plans, ensuring transparency and contributing toward attaining the comparability of respective Action Plans. This process will contribute to the consequent development of significant and substantial Action Plans.

**Submission**
Each APEC economy will submit its Action Plan to the Annual Ministerial Meeting for assessment.

**Review**
Reviews will be conducted to assess progress in implementing Action Plans in accordance with principles, objectives and guidelines of the Action Agenda. Each relevant APEC forum will conduct a review in its respective area and submit a report thereon to the Senior Officials Meeting (SOM). The SOM will then review the overall progress of APEC economies’ actions and submit a report to the annual Ministerial
Meeting for review. The outcome of these reviews will be fed back into the continuing consultation process to contribute to further development of Action Plans and will be reflected in the activities of APEC fora.

**Revision**

As Action Plans are of a rolling nature, revision of these will be conducted through a progressive and dynamic mechanism established by the consultation process and reviews, with the results thereof being reflected in the continuing voluntary improvement of Action Plans. Action Plans will also be revised as appropriate in accordance with the expansion and improvement of guidelines and collective actions.

**Parallel activities**

APEC fora will make proposals for the expansion and improvement of guidelines and collective actions in their respective areas in accordance with developments in the APEC liberalization and facilitation process, taking into account and, where appropriate, utilizing developments in other international fora, particularly the World Trade Organization (WTO). The inclusion of additional areas to those initially defined in Section C may be considered. Proposals on the above will be submitted to the Ministerial Meeting.

APEC fora, including the Committee on Trade and Investment (CTI), the Economic Committee (EC) and Working Groups, will begin the work outlined in Section C immediately, cooperating with each other to enhance the efficiency of APEC activities. The establishment of additional sub-groups may be considered where necessary. In the above process, duplication of work among APEC fora should be avoided.

Each APEC forum will submit an annual progress report to the SOM. The SOM will review this progress and submit a report to the annual Ministerial Meeting for review. Work by other relevant APEC Ministerial Meetings should be duly recognized.

**MULTILATERAL ACTIONS**

APEC economies will take the lead in strengthening the open multilateral trading system and enhancing global liberalization momentum by participating actively and positively in multilateral negotiations and exploring the possibility of taking joint initiatives under the WTO. APEC economies will take fully into account the outcome of such multilateral activities.

**OVERALL REVIEW**

The Action Agenda may be revised and improved as necessary based on the overall progress of liberalization, facilitation and cooperation in APEC, taking into account developments in other international fora, particularly the WTO.

**SECTION C: ACTIONS IN SPECIFIC AREAS**

APEC economies will take the following actions in specific areas in order to achieve the objectives set out therein in accordance with the General Principles. In the course of the liberalization and facilitation process, economic and technical cooperation will be actively pursued through various means including Partners for Progress (PFP).
1. TARIFFS

**OBJECTIVE**
APEC economies will achieve free and open trade in the Asia-Pacific region by:

a. progressive reduction of tariffs until the Bogor goals are fully achieved; and
b. ensuring the transparency of APEC economies’ respective tariff regimes.

**GUIDELINES**
Each APEC economy will:

a. take into account, in the process of achieving the above objective, intra-APEC trade trends, economic interests and sectors or products related to industries in which this process may have positive impact on trade and on economic growth in the Asia-Pacific region;

b. ensure that the achievement of the above objective is not undermined by the application of unjustifiable measures; and

c. consider extending, on a voluntary basis, to all APEC economies the benefits of tariff reductions and eliminations derived from sub-regional arrangements.

**COLLECTIVE ACTIONS**
APEC economies will:

a. participate and ensure the expeditious supply and updates of the WTO Integrated Database and any other APEC databases;

b. arrange for seminars and/or workshops on industrial tariffs negotiations in consultation with international organisations, where appropriate, including WTO Secretariat on WTO Integrated Tariff Database; and

c. study lessons from modalities for tariff reduction and elimination in regional arrangements.

2. NON-TARIFF MEASURES

**OBJECTIVE**
APEC economies will achieve free and open trade in the Asia-Pacific region by:

a. progressively reducing NTMs to the maximum extent possible to minimize possible distortion to trade;

b. in respect to WTO members:

   ▪ Elimination of any measures inconsistent with WTO agreements
   ▪ Full compliance with WTO agreements in accordance to WTO commitments; and

c. ensuring the transparency of APEC economies’ respective non-tariff measures.

**GUIDELINES**
Each APEC economy will:

a. take into account, in the process of progressive reduction of non-tariff measures, intra-APEC trade trends, economic interests and sectors or products related to industries in which this process may have positive impact on trade and on economic growth in the Asia-Pacific region;

b. ensure that the progressive reduction of non-tariff measures is not undermined by the application of unjustifiable measures; and

c. consider extending, on a voluntary basis, to all APEC economies the benefits of reductions and eliminations of non-tariff measures derived from sub-regional arrangements.

---

2 Tariffs here refers to import/export tariffs as well as tariff quotas.

3 These non-tariff measures include but are not restricted to quantitative import/export restrictions/prohibitions, import/export levies, minimum import prices, discretionary import/export licensing, voluntary export restraints and export subsidies.
COLLECTIVE ACTIONS

APEC economies will:

a. pursue incorporation of information on non-tariff measures into a future version of the APEC tariff database and compile a list of measures recognized as non-tariff impediments and a list of products affected by these impediments;

b. identify industries in which the progressive reduction of non-tariff measures may have positive impact on trade and on economic growth in the Asia-Pacific region or for which there is regional industry support for early liberalization;

c. progressively reduce export subsidies with a view to abolishing them; and

d. abolish unjustifiable export prohibitions and restrictions and endeavor to refrain from taking any such new measures;

e. pursue a series of seminars/policy discussions on non-tariff measures (NTMs); and

f. undertake research to develop best practices to enhance transparency and progressively reduce NTMs.

3. SERVICES

OBJECTIVE

APEC economies, in accordance with the APEC Policy Framework for Work on Services, will achieve free and open trade and investment in the Asia-Pacific region by:

a. progressively reducing restrictions on market access for trade in services;

b. progressively providing for inter-alia most favored nation (MFN) treatment and national treatment for trade in services; and

c. providing, in regulated sectors, for the fair and transparent development, adoption and application of regulations and regulatory procedures for trade in services.

GUIDELINES

Each APEC economy will:

a. contribute positively and actively to the WTO negotiations on trade in services;

b. expand commitments under the General Agreement on Trade in Services (GATS) on market access and national treatment and eliminate MFN exemptions where appropriate;

c. undertake further actions, where appropriate, to implement the APEC Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment;

d. make efforts to provide for the participation of concerned parties in regulations and regulatory processes, the fair and transparent application of regulations, and the prompt consideration of applications; and

e. support APEC capacity building efforts to supply services by, inter-alia, strengthening infrastructure, promoting the use of advanced technologies and developing human resources.

COLLECTIVE ACTIONS

APEC economies will take the following Collective Actions with regard to services in the telecommunications, transportation, energy and tourism sectors, and continue to seek Collective Actions in other sectors.

TELECOMMUNICATIONS

In accordance with the Cancun Declaration, APEC economies will:

a. work to bridge the digital divide at the domestic, regional and global levels, and to cooperate and collaborate with the business/private sector in this effort.

---

4 The following Collective Actions have been extracted from the annexed Action Programs of Working Groups in which substantial progress has already been made in services, in order to illustrate liberalization and facilitation related activities to be undertaken in these sectors. Activities in these sectors are also dealt with in Part Two.
In addition, APEC economies are encouraged to conform, where appropriate, to:

1. The WTO Telecommunications Regulatory Principles Reference Paper;
2. The Information Technology Agreement (ITA); and

TRANSPORTATION
APEC economies will:

a. respond to the Leaders ‘Auckland Challenge’ of 1999, by implementing the eight steps for
more competitive air services on a voluntary basis and by identifying further steps to liberalize
air services in accordance with the Bogor Goals, and provide annual progress reports to
Leaders through SOM (Note: some components of this project may fall under Part II Ecotech, subject to
further developments);

b. develop by 2005 an efficient, safe and competitive operating environment for maritime
transport, including ports, in the region through improved transparency of maritime and
port policies (Note: some components of this project may fall under Part II Ecotech, subject to further
developments);

c. complete the Road Transport Harmonization Project and encourage the development of
mutual recognition arrangements for certification of automotive product and harmonization
of economies’ vehicle regulations through cooperation within United Nations Economic
Commission for Europe; and

d. seek to eliminate the requirement for paper documents (both regulatory and institutional)
for the key messages relevant to international transport and trade as soon as practicable by
2005.

ENERGY
APEC Economies, by developing and building on the 14 non-binding policy principles endorsed
by APEC Energy Ministers at their Sydney meeting in 1996 which are consistent with the vision,
objectives and strategic themes of the recently endorsed Future Directions Strategic Plan that will
guide their work over the next five years:

a. will facilitate trade and investment in the energy sector by

   (i) responding to the outcomes of a current study on “Strengthening the Operational
       Aspects of APEC Energy Micro -Economic Reform” that will, inter-alia, inform on
       barriers to investment in the energy sector and how to remove the barriers.

   (ii) analysing the broad economic impacts of micro-economic reform policies to
deregulate energy markets.

   (iii) responding as appropriate to the identification of the barriers (policy, technical,
regulatory and legal) to the interconnection of power grids in APEC member
economies.
(iv) actively pursuing the Implementation Strategy and considering the use of Implementation Facilitation Assistance Teams (IFAT) to assist in further reform of the energy markets.
(v) strengthening policy dialogue among member economies on important issues affecting energy markets.
(vi) supporting the APEC 21st Century Renewable Energy Development Initiative which seeks to advance the use of renewable energy for sustainable economic development and growth in member economies.
(vii) encouraging in the longer term a greater strategic input from business through the Energy Working Group Business Network (EBN).

b. will seek to reduce barriers to trade created by differing energy performance test methods and energy performance requirements by supporting the establishment of an APEC Energy Efficiency Test Procedures Coordinator.

c. will strengthen energy security in the region by developing and implementing an energy security initiative with the aim of improving the functioning of energy markets; energy efficiency and conservation; diversification of energy resources; renewable energy development and deployment; and enhance short term preparedness such as oil stocks and surge production of oil; and explore the potential for alternative transport fuels.

TOURISM
APEC economies will:

a. Remove impediments to tourism business and investment by:
   (i) promoting and facilitating the mobility of skills, training and labor;
   (ii) promoting and facilitating productive investment in tourism and associated sectors;
   (iii) removing regulatory impediments to tourism business and investment; and
   (iv) encouraging liberalization of services trade related to tourism under General Agreement on Trade in Services (GATS)

b. Increase mobility of visitors and demand for tourism goods and services in the APEC region by:
   (i) facilitating seamless travel for visitors;
   (ii) enhancing visitor experiences;
   (iii) promoting inter- and intra-regional marketing opportunities and cooperation;
   (iv) facilitating and promoting e-commerce for tourism business;
   (v) enhancing safety and security of visitors; and
   (vi) fostering a non-discriminatory approach to the provision of visitor facilities and services.

c. Sustainably manage tourism outcomes and impacts by:
   (i) demonstrate an appreciation and understanding of natural environment and seek to protect the environment
   (ii) foster ecologically sustainable development opportunities across the tourism sector, particularly for small and medium sized enterprises, employment and providing for open and sustainable tourism markets
   (iii) protect the social integrity of host communities with particular attention to the implications of gender in the management and development of tourism
   (iv) recognize, respect and preserve local and indigenous cultures together with our natural and national cultural heritage
   (v) enhance capability building in the management and development of tourism.

d. Enhance recognition and understanding of tourism as a vehicle for economic and social development by:
   (i) Harmonizing methodologies for key tourism statistical collections, consistent with activities of other international tourism organizations
   (ii) facilitating the exchange of information on tourism between economies
(iii) promoting comprehensive analysis of the role of tourism in member economies in promoting sustainable growth
(iv) expanding our collective knowledge base on tourism issues in order to identify emerging issues and assist in the implementation of the Seoul Declaration on an APEC Tourism Charter.

4. INVESTMENT OBJECTIVE
APEC economies will achieve free and open investment in the Asia-Pacific region by:

a. liberalizing their respective investment regimes and the overall APEC investment environment by, inter-alia, progressively providing for MFN treatment and national treatment and ensuring transparency; and
b. facilitating investment activities through, inter-alia, technical assistance and cooperation, including exchange of information on investment opportunities.

GUIDELINES
Each APEC economy will:

a. progressively reduce or eliminate exceptions and restrictions to achieve the above objective, using as an initial framework the WTO Agreement, the APEC Non-Binding Investment Principles, any other international agreements relevant to that economy, and any commonly agreed guidelines developed in APEC including the Menu of Options for Investment Liberalization and Business Facilitation;
b. seek to expand APEC’s network of bilateral investment agreements;
c. facilitate investment flows within the Asia-Pacific region through promoting awareness of investment opportunities, undertaking capacity building and technical cooperation activities, and implementing measures such as those in the Menu of Options; and
d. examine ways to incorporate new investment forms and activities for the economic development of the Asia-Pacific region.

COLLECTIVE ACTIONS
APEC economies will:

1. Transparency
   Short-term
   a. Increase the transparency of APEC investment regimes by:
      (i) Updating the APEC Guidebook on Investment Regimes;
      (ii) Establishing software networks on investment regulation and investment opportunities;
      (iii) Improving the state of statistical reporting and data collection; and
      (iv) Increasing understanding among member economies on investment policy-making issues.

2. Policy Dialogue
   Short-term
   b. Promote dialogue with the APEC business community on ways to improve the APEC investment environment.
   c. Continue a dialogue with appropriate international organizations dealing with global and regional investment issues.

3. Study and Evaluation
   Short-term
   d. Define and implement follow-on training to the WTO implementation seminars;
e. Undertake an evaluation of the role of investment liberalization in economic development in the Asia-Pacific region.

f. Study possible common elements between existing subregional arrangements relevant to investment.

Medium-term

g. Refine APEC’s understanding of free and open investment.

Long-term

h. 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.

i. 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.

4. Facilitation

Short-term and continuing

j. Undertake practical facilitation initiatives by:

(i) Progressively working towards reducing impediments to investments including those investments related to e-commerce;

(ii) Undertaking the business facilitation measures to strengthen APEC economies; and

(iii) Initiating investment promotion and facilitation activities to enhance investment flow within APEC economies.

5. Economic and Technical Cooperation

Short-term

k. Identify ongoing technical cooperation needs in the Asia-Pacific region and organize training programs which will assist APEC economies in fulfilling APEC investment objectives.

6. Capacity Building Initiatives

l. Undertake new activities that contribute to capacity building.

7. Menu of Options

m. Ongoing improvement of the Menu of Options.

5. STANDARDS AND CONFORMANCE

OBJECTIVE

APEC economies will, in accordance with the Declaration on APEC Standards and Conformance Framework and with the Agreement on Technical Barriers to Trade (TBT Agreement) and the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) attached to the WTO Agreement:

a. align their domestic standards with international standards;

b. achieve recognition of conformity assessment including mutual recognition arrangements in regulated and voluntary sectors;

c. promote cooperation for technical infrastructure development to facilitate broad participation in mutual recognition arrangements in both regulated and voluntary sectors; and

---

5 “Standards” include mandatory as well as voluntary standards. The term “standards” is used in this document to refer generally to matters covered in the TBT and SPS Agreements.
d. ensure the transparency of the standards and conformity assessment of APEC economies.

GUIDELINES
Each APEC economy will:

a. continue alignment of domestic standards with international standards in the priority areas which the SCSC will identify priority areas for alignment in the short to medium term in pursuing this goal;

b. participate actively in the international standardization activities of international standardizing bodies and encourage relevant bodies in their economy to participate in the international standardizing bodies’ accordance with the rules and procedures of these organisations;

c. participate in recognition arrangements’ of conformity assessment including mutual recognition arrangements in regulated sectors through: (i) the development of bilateral, multi-sectoral recognition arrangements, which might, at a later stage, provide the basis for plurilateral arrangements; and (ii) the development of plurilateral recognition arrangements in particular sectors;

d. encourage relevant bodies in their economy to participate in work programs of the five Specialist Regional Bodies and to participate in recognition arrangements of conformity assessment including mutual recognition arrangements in the voluntary sectors;

e. improve and maintain the level of their technical infrastructure to facilitate broad participation in recognition arrangements in both the regulated and voluntary sectors, with the SCSC supporting the development of technical infrastructure through economic and technical cooperation, where needed, to improve calibration and testing facilities and the training of personnel, in pursuing this goal;

f. continuously strive to increase transparency of their standards and conformance requirements by means of facilitating the dissemination of such information through publications and electronic homepage and publicizing the availability of these means; and

g. consider participation in:
   (i) the Treaty of the Metre (La Convention Du Metre); and
   (ii) the Treaty of OIML (La Convention Instituant Une Organisation Internationale De Metrologie Legale)
   in accordance with the rules and procedures of these treaties

COLLECTIVE ACTIONS
APEC economies will take Collective Actions with regard to standards and conformance in the following four areas:

ALIGNMENT WITH INTERNATIONAL STANDARDS
APEC economies will:

a. continue identifying additional priority areas for alignment with international standards;

b. continue to report on the progress in their alignment plans every year;

c. continue to investigate means of enhancing regulatory practices in the APEC region through a program of case studies and seminars; and

d. conduct a comprehensive review of their alignment work in 2005.

---

6 It is recognised that not all member economies have the pre-requisite technical infrastructure to enable them to fully participate in mutual recognition arrangements. Cooperation among APEC economies to strengthen member economies’ technical infrastructure is therefore necessary (see Guideline (e)).

7 The term “mutual recognition arrangements” does not necessarily mean an instrument or instruments which creates or create legally-binding international obligations.

8 Asia Pacific Laboratory Accreditation Cooperation (APLAC)
Asia Pacific Legal Metrology Forum (APLMF)
Asia Pacific Metrology Program (APMP)
Pacific Accreditation Cooperation (PAC)
Pacific Area Standards Congress (PASC)
MUTUAL RECOGNITION OF CONFORMITY ASSESSMENT

APEC economies will, in cooperation with relevant Specialist Regional Bodies, where appropriate:

a. review the implementation and use of mutual recognition arrangements;

b. continue to further consider additional priority areas for mutual recognition arrangements in the regulated sector;

c. consider alternative mechanisms to facilitate the recognition of conformity assessment results;

d. review and improve the effectiveness of the APEC Mutual Recognition Arrangement on Conformity Assessment of Foods and Food Products, the Arrangement for the Exchange of Information on Toy Safety, the APEC Arrangement for the Exchange of Information on Food Recalls, and the APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment;

e. implement the work program on trade facilitation in information technology products, by 2005 in the case of industrialized economies and by 2008 in the case of developing economies; and

f. encourage establishment of and participation in a network of mutual recognition arrangements in the voluntary sector by 2005.

COOPERATION ON TECHNICAL INFRASTRUCTURE DEVELOPMENT

APEC economies will:

a. undertake projects for the implementation of the Mid-Term Technical Infrastructure Development Program;

b. conduct a comprehensive review on implementation of the above program after 2005; and

c. compile member economies’ regulatory profile and develop information and case studies on decision tree analysis for Food/Drug Interface policy development and regulation.

TRANSPARENCY

APEC economies will:

a. update the APEC Contact Points for Standards and Conformance Information, which have been uploaded to the APEC Homepage; and

b. develop and keep current the database on conformity assessment operators and their activities/service offered and establish an APEC Cooperation Center for Conformity Assessment.

OTHER ACTIVITIES

APEC economies will:

a. pursue closer cooperation with the Specialist Regional Bodies in line with a Statement of Commitment to Mutually Agreed Objectives;

b. monitor the developments within the WTO Committees on the Technical Barriers to Trade and Sanitary and Phyto-Sanitary Measures, as well as undertake projects for the implementation of the APEC Strategic Plan on WTO-Related Capacity Building;

c. pursue better coordination with other APEC fora; and

d. implement the reform of the SCSC through the rationalization of its agenda, priority setting exercise and better coordination with other groups.

6. CUSTOMS PROCEDURES

OBJECTIVE

APEC economies will facilitate trade in the Asia-Pacific region by simplifying and harmonizing customs procedures.
GUIDELINES
Each APEC economy will take actions toward achieving the above objective:

a. along the lines of the Strategic Direction of the Action Program of the Sub-Committee on Customs Procedures;

b. taking fully into consideration the Guiding Principles (FACTS: Facilitation, Accountability, Consistency, Transparency, Simplification) of the above Action Program; and

c. recognizing APEC Principles on Trade Facilitation

COLLECTIVE ACTIONS
APEC economies will take Collective Actions with regard to customs procedures in the following areas:

TARIFF NOMENCLATURE HARMONIZATION
APEC economies will harmonize tariff nomenclature by adopting or abiding by the principles of the International Convention on the Harmonized Commodity Description and Coding System (HS Convention) 2002 Version by 2002.

PUBLIC AVAILABILITY OF INFORMATION
APEC economies will continue making available to the public information on administrative guidelines, procedures and rulings in addition to customs laws and regulations by means of media, publication, website, etc.

SIMPLIFICATION AND HARMONIZATION ON THE BASIS OF THE REVISED KYOTO CONVENTION
APEC economies will simplify and harmonize customs procedures by adopting or abiding by the principles of the International Convention on the Simplification and Harmonization of Customs Procedures which was revised by World Customs Organization (WCO) in 1999 (Revised Kyoto Convention).

COMPUTERIZATION THROUGH UN/EDIFACT AND PAPERLESS TRADING
APEC economies will enhance computerization of customs procedures by adopting and supporting the UN/EDIFACT standard and endeavor to reduce or eliminate the requirement for paper documents needed for customs to realize paperless trading.

ALIGNMENT WITH WTO AGREEMENTS
APEC economies will:

a. harmonize customs valuation systems by adopting or abiding by the principles of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (WTO Customs Valuation Agreement), while encouraging further acceleration, if possible, through technical assistance; and

b. protect intellectual property rights by adopting or abiding by the principles of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), with regard to border control while encouraging further acceleration, if possible, through technical assistance.

APPEAL PROVISION
APEC economies will introduce and improve clear appeal provisions within each economy.

ADVANCE RULING SYSTEMS
APEC economies will introduce and improve advance tariff classification ruling systems.

TEMPORARY IMPORTATION
APEC economies will provide facilities for temporary importation, by taking such action as
acceding, where appropriate, to the Customs Convention on the A.T.A. Carnet for the Temporary Admission of Goods (the A.T.A. Convention).

**RISK MANAGEMENT APPROACH**
APEC economies will introduce a risk management approach to allow customs administrations to facilitate legitimate trade and travel while maintaining high-level border control by 2002.

**INFORMATION TECHNOLOGY**
APEC economies will apply information technology including Internet for customs clearance, and where possible, provide one stop shop service for cargo clearance procedures.

**COMMON DATA ELEMENTS**
APEC economies will explore the feasibility of harmonizing among APEC economies common data elements based on international standards under the auspices of WCO for customs processing of cargo to facilitate international trade.

**EXPRESS CONSIGNMENTS**
APEC economies will implement principles contained in the WCO Immediate Release Guidelines, the international standard procedures for clearance of express goods, working in partnership with express industry associations.

**INTEGRITY**
APEC economies will implement programs to raise level of integrity of customs systems.

**CUSTOMS-BUSINESS PARTNERSHIP**
APEC economies will enable the cooperation and communication between Customs and the business sector through the establishment of permanent and regular liaison/consultation channels and the development of Customs-Business partnership by signing Memoranda of understanding or other instruments of cooperative arrangement with relevant players/parties in the business sector.

**COMMON FIELD SURVEYS**
APEC economies will work towards conducting common field surveys on the time required for cargo clearance, recognizing the necessity of a common yardstick.

**IMPLEMENTATION, TECHNICAL COOPERATION AND HUMAN RESOURCES DEVELOPMENT**
APEC economies will develop implementation plans and a framework for coordinated technical assistance and human resources development in support of the above Collective Actions, with particular emphasis placed on implementation of customs procedure-related agreements such as the WTO Customs Valuation Agreement, the TRIPS Agreement and the Rules of Origin Agreement (ROO).

**PROMOTION OF DIALOGUE WITH THE BUSINESS/PRIVATE SECTOR**
APEC economies will promote dialogue with the business/private sector (importers, exporters, customs brokers, forwarders, etc.) within each economy to assist in improving customs-related trade practices.

7. INTELLECTUAL PROPERTY RIGHTS

**OBJECTIVE**
APEC economies will, in conformance with the principles of the TRIPS Agreement, ensure adequate and effective protection, including legislation, administration and enforcement of intellectual
property rights, foster harmonization of intellectual property rights systems in the APEC region, strengthen public awareness activities and promote dialogue on emerging intellectual property policy issues, with a view to further improve intellectual property rights protection and use of the intellectual property rights systems for the social and economic benefit of members.

GUIDELINES
Each APEC economy will:

a. ensure that intellectual property rights are granted through expeditious, simple, and cost-effective procedures;
b. ensure that adequate and effective civil and administrative procedures and remedies are available against infringement of intellectual property rights; and
c. provide and expand bilateral technical cooperation in relation to areas such as patent search and examination, computerization and human resources development in order to ensure adequate intellectual property right protection in compliance with the TRIPS Agreement.

COLLECTIVE ACTIONS
APEC economies will take the following collective actions:

a. Deepening the Dialogue on Intellectual Property Policy;
b. Support for Easy and Prompt Acquisition of Rights:
   (i) Participation in International IP-related Systems
   (ii) Establishing Internationally Harmonized IPR Systems
   (iii) Cooperation on Searches and Examinations;
c. Electronic Processing of IPR-related Procedures:
   (i) Electronic Filing Systems
   (ii) Dissemination of Information by Electronic Means;
d. Appropriate Protection of IPR in New Fields:
   (i) Protection for Biotechnology and Computer-related Inventions
   (ii) Protection for Geographical Indications
   (iii) Electronic commerce;
e. Cooperation for Improvements to the Operation of IP System;
f. Establishing Effective Systems for IPR Enforcement:
   (i) Establishment of Enforcement Guidelines
   (ii) Exchange of Information Concerning IPR Infringement
   (iii) Cooperation with other fora/authorities
g. Promoting IP Asset Management in APEC Economies;
h. Raising Public Awareness;
i. Facilitation of Technology Transfer through Ensuring IP Protection.

8. COMPETITION POLICY

OBJECTIVE
APEC economies will enhance the competitive environment in the Asia-Pacific region by introducing or maintaining effective and adequate competition policy and/or laws and associated enforcement policies, ensuring the transparency of the above, and promoting cooperation among APEC economies, thereby maximizing, inter-alia, the efficient operation of markets, competition among producers and traders, and consumer benefits.

GUIDELINES
Each APEC economy will:

a. review its respective competition policy and/or laws and the enforcement thereof taking into account the “APEC Principles to Enhance Competition and Regulatory Reform”; b. enforce competition policies and/or laws to ensure protection of the competitive process
and promotion of consumer welfare, innovation, economic efficiency and open markets;
c. disclose any pro-competitive efforts undertaken (e.g. enactment of competition laws, whether
comprehensive or sectoral);
d. implement as appropriate technical assistance in regard to policy development, legislative
drafting, and the constitution, powers and functions of appropriate enforcement agencies; and
e. establish appropriate cooperation arrangements with other APEC economies.

COLLECTIVE ACTIONS
APEC economies will:
a. gather information and promote dialogue on and study:
   (i) the objectives, necessity, role and operation of each APEC economy’s competition policy
       and/or laws and administrative procedures, thereby establishing a database on competition
       policy;
   (ii) competition policy issues that impact on trade and investment flows in the Asia-Pacific
       region;
   (iii) exemptions and exceptions from the coverage of each APEC economy’s competition
       policy and/or laws in an effort to ensure that each is no broader than necessary to
       achieve a legitimate and explicitly identified objective;
   (iv) areas for technical assistance and the modalities thereof, including exchange and training
       programs for officials in charge of competition policy, taking into account the availability
       of resources; and
   (v) the inter-relationship between competition policy and/or laws and other policies related
to trade and investment;
b. deepen competition policy dialogue between APEC economies and relevant international
organizations;
c. continue to develop understanding in the APEC business community of competition policy
   and/or laws and administrative procedures;
d. continue to develop an understanding of competition policies and/or laws within their respective
governments and within relevant domestic constituencies, thereby fostering a culture of
competition;
e. encourage cooperation among the competition authorities of APEC economies with regard to
information exchange, notification and consultation;
f. contribute to the use of trade and competition laws, policies and measures that promote free
and open trade, investment and competition;
g. encourage all APEC economies to implement the “APEC Principles to Enhance Competition
and Regulatory Reform; and
h. undertake capacity building programs to assist economies in implementing the “APEC Principles
to Enhance Competition and Regulatory Reform”.

9. GOVERNMENT PROCUREMENT
OBJECTIVE
APEC economies will:
a. develop a common understanding on government procurement policies and systems, as well as
on each APEC economy’s government procurement practices; and
b. achieve liberalization of government procurement markets throughout the Asia-Pacific region
in accordance with the principles and objectives of the Bogor Declaration, contributing in the
process to the evolution of work on government procurement in other multilateral fora.
GUIDELINES
Each APEC economy will:

a. enhance the transparency of its government procurement regimes and its government procurement information;
b. establish, where possible, a government procurement information database and provide the information through a common entry point; and
c. review on a voluntary basis and take appropriate steps to improve the consistency of its government procurement regime with the APEC Non-binding Principles on Government Procurement (transparency, value for money, open and effective competition, fair dealing, accountability and due process, and non-discrimination).

COLLECTIVE ACTIONS
APEC economies will:

a. utilize questionnaire surveys to exchange information on existing government procurement regimes and on publication of government procurement information in APEC economies;
b. maintain contact points to facilitate on-going exchange of the above information;
c. hold workshops, seminars and training courses on government procurement procedures, laws, regulations, regional and plurilateral agreements, and the impact of technological development on government procurement;
d. encourage establishment of an APEC government procurement information database, including information on procurement opportunities and the provision of a common entry point (such as World Wide Web (WWW) Home Page on the Internet) for participation by members on a voluntary basis; and
e. continue to report voluntarily on the consistency of their procurement regimes with the APEC Non-binding Principles on Government Procurement and on the improvements to their regimes.

10. DEREGULATION/REGULATORY REVIEW AND REFORM

OBJECTIVE
APEC economies will facilitate free and open trade and investment in the Asia-Pacific Region by, inter alia:

a. enhancing the transparency of regulatory regimes; and
b. eliminating domestic regulations that may distort or restrict trade, investment or competition and are not necessary to achieve a legitimate objective.

GUIDELINES
Each APEC economy will:

a. explore economy wide processes for the transparent and accountable identification and review of domestic regulations that may distort or restrict trade, investment or competition;
b. consider the adoption of regulatory reform to reduce those distortions and their resulting costs, whilst maintaining the achievement of legitimate objectives; and
c. promote the consideration of competition policy in regulatory reform.

COLLECTIVE ACTIONS
APEC economies, taking into account work done in other areas of APEC activity will:

a. publish annual reports detailing actions taken by APEC economies to deregulate their domestic regulatory regimes; and
b. develop further actions taking into account the above reports, including:
   (i) policy dialogue on APEC economies’ experiences in regard to best practices in deregulation, including the use of individual case studies to assist in the design and implementation of deregulatory measures, and consideration of further options for a work program which may include:
– identification of common priority areas and sectors for deregulation;
– provision of technical assistance in designing and implementing deregulation measures; and
– examination of the possibility of establishing APEC guidelines on domestic deregulation; and

(ii) regular dialogue with the business community, including a possible symposium.

11. IMPLEMENTATION OF WTO OBLIGATIONS (inc RULES OF ORIGIN)

OBJECTIVE

APEC economies will ensure full and effective implementation of Uruguay Round outcomes within the agreed time frame in a manner fully consistent with the letter and the spirit of the WTO Agreement.

On rules of origin, APEC economies will:

a. ensure full compliance with internationally harmonized rules of origin to be adopted in relevant international fora; and

b. ensure that their respective rules of origin are prepared and applied in an impartial, transparent and neutral manner.

GUIDELINES

On WTO Agreements:

a. Each APEC economy which is a WTO member will fully and faithfully implement its respective Uruguay Round commitments.

b. Each APEC economy which is in the process of acceding to the WTO Agreement may participate in APEC Uruguay Round implementation actions through voluntary steps to liberalize its respective trade and investment regimes consistent with the WTO Agreement.

c. Each APEC economy will, on a voluntary basis, accelerate the implementation of Uruguay Round outcomes and deepen and broaden these.

On Rules of Origin:

Each APEC economy will:

a. align its respective rules of origin with internationally harmonized rules of origin to be adopted as a result of the WTO/WCO process; and

b. ensure predictable and consistent application of rules of origin.

COLLECTIVE ACTIONS

APEC economies will:

a. utilize on an on-going basis Uruguay Round implementation seminars and other appropriate means to:

(i) improve APEC economies’ understanding of provisions in the WTO Agreement and obligations thereunder;

(ii) identify operational problems encountered in implementation of the WTO Agreement and areas in which APEC economies may require technical assistance; and

(iii) explore cooperative efforts to provide such technical assistance in implementation;

b. consider implementation of suggestions for follow-on work from Uruguay Round implementation seminars; and

c. undertake technical assistance based on discussion at the above seminars, including cooperative training projects targeted at prevalent implementation problems to be undertaken in conjunction with the WTO Secretariat and other relevant international institutions.
On Rules of Origin
APEC economies will:

a. gather information on APEC economies’ respective rules of origin, both non-preferential and preferential, and operation thereof without duplicating WTO work in this area, exchange views and develop a compendium of rules of origin for the use of the business/private sector;

b. facilitate, complement and accelerate, in the short term, WTO/WCO work on harmonization of non-preferential rules of origin; and

c. study in due course the implication of rules of origin on the free flow of trade and investment, with a view to identifying, in the longer term, both positive and negative aspects and effects of rules of origin related practices.

12. DISPUTE MEDIATION

OBJECTIVE
APEC economies will:

a. encourage members to address disputes cooperatively at an early stage with a view to resolving their differences in a manner which will help avoid confrontation and escalation, without prejudice to rights and obligations under the WTO Agreement and other international agreements and without duplicating or detracting from WTO dispute settlement procedures;

b. facilitate and encourage the use of procedures for timely and effective resolution of disputes between private entities and governments and disputes between private parties in the Asia-Pacific region; and

c. ensure increased transparency of government laws, regulations and administrative procedures with a view to reducing and avoiding disputes regarding trade and investment matters in order to promote a secure and predictable business environment.

GUIDELINES
Each APEC economy will:

a. provide for the mutual and effective enforcement of arbitration agreements and the recognition and enforcement of arbitral awards;

b. provide adequate measures to make all laws, regulations, administrative guidelines and policies pertaining to trade and investment publicly available in a prompt, transparent and readily accessible manner; and

c. promote domestic transparency by developing and/or maintaining appropriate and independent review or appeal procedures to expedite review and, where warranted, correction of administrative actions regarding trade and investment.

COLLECTIVE ACTIONS
APEC economies will:

a. with respect to resolution of disputes between APEC economies;
   (i) promote dialogue and increased understanding, including exchange of views on any matter that may lead to a dispute, and cooperatively examine on a voluntary basis disputes that arise, utilizing policy dialogue such as the “Trade Policy Dialogue” of the CTI;
   (ii) give further consideration as to how the above Trade Policy Dialogue or similar functions of other fora may be used by APEC economies for the exchange of information, enhanced dialogue and mediation; and
   (iii) examine the possible future evolution of procedures for the resolution of disputes as the APEC liberalization and facilitation process develops;

b. with respect to resolution of disputes between private parties, and between private parties and APEC economies;
   (i) provide CTI with a listing of arbitration, mediation, and conciliation services available to private entities of other APEC economies, including a description of any such service
which might provide a useful model for private-to-government dispute resolution in the Asia-Pacific region, and make such information widely available to the business/private sector in the Asia-Pacific region;

(ii) provide CTI with comments regarding experiences with the above services;

(iii) accede where appropriate to international agreements for the settlement of disputes between governments and private entities such as the Convention on the Settlement of Investment Disputes between States and Nationals of Other States; and

(iv) accede where appropriate to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention);

c. with respect to transparency;

promote transparency on an APEC-wide basis, through, for example, publication of a guide book on arbitration, mediation, and conciliation services available in each APEC economy; and

d. with respect to the above collective actions, continue to report to CTI on progress, with recommendations.

13. MOBILITY OF BUSINESS PEOPLE

OBJECTIVE

APEC economies will enhance the mobility of business people who are engaged in the conduct of trade and investment activities in the Asia-Pacific region.

GUIDELINES

Each APEC economy will contribute positively to the efforts of the APEC Business Mobility Group to:

a. Streamline short term entry requirements for business people. APEC economies will strive on a best endeavours basis and according to their own immigration procedures to implement one or more of the following options:
   i) visa free or visa waiver arrangements;
   ii) participating in the APEC Business Travel Card scheme;
   iii) at least 3 year multiple entry visas.

b. Implement streamlined temporary residence processing arrangements for the intra-company transfer of senior managers and executives;

c. Examine the possibility for extending streamlined temporary residence processing arrangements to other business temporary residence categories, including specialists and key personnel;

d. Develop and implement the 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 arrangements;

e. Exchange information on immigration regulatory regimes, including through regularly updating the information in the online APEC Business Travel Handbook; and

f. Continue to maintain a dialogue with the APEC Business Mobility Group and the APEC business community (including with APEC fora) on mobility issues important to the APEC region and the APEC business community.

COLLECTIVE ACTIONS

APEC economies will:

a. exchange information on regulatory regimes in regard to the mobility of business people in the region;

b. examine the possibility of setting the scope for cooperation at a regional level aimed at streamlining and accelerating:
   i) processing of visas for short-term business travel; and
   ii) arrangements for temporary residency for business people to engage in trade and
investment; and

c. establish and maintain a dialogue on mobility issues with the business community.

14. INFORMATION GATHERING AND ANALYSIS (GROUNDWORK)

OBJECTIVE
APEC economies will secure a solid platform for the expansion and improvement of Actions in Specific Areas and APEC economies’ respective Action Plans by undertaking *inter-alia* cross-sectoral work.

COLLECTIVE ACTIONS
APEC economies will:

a. conduct surveys as necessary of trade and investment impediments;
b. review and analyze the impact of trade liberalization in the Asia-Pacific region;
c. study and monitor the impact of sub-regional trade arrangements such as NAFTA, Association of South-East Asian Nations Free Trade Area (AFTA) and ANZCERTA;
d. develop databases with regard to merchandise trade, trade in services and direct investment, and update these regularly; and
e. adopt international standards for trade in services and international investment data such as those developed by the IMF.
PART TWO: ECONOMIC AND TECHNICAL COOPERATION

SECTION A: ESSENTIAL ELEMENTS

APEC economies will pursue economic and technical co-operation in order to attain sustainable growth and equitable development in the Asia-Pacific region, while reducing economic disparities among APEC economies and improving economic and social well being. Such efforts will also facilitate the growth of trade and investment in the region.

APEC economies will conduct economic and technical cooperation on the basis of the principles of mutual respect and equality, mutual benefit and assistance, constructive and genuine partnership and consensus building. APEC economies shall make voluntary contributions commensurate with their capabilities and the benefits of the co-operation shall be shared broadly.

In pursuing economic and technical cooperation, APEC economies will develop an environment favorable to the effective operation of market mechanisms and integrate into the cooperation process the business/private sector as well as involve wherever possible other pertinent institutions.

Recognizing their shared responsibility for sustainable development, APEC economies will integrate environmental considerations in all relevant APEC activities.

While respecting the autonomy of each APEC economy over its policies, APEC economies recognize Common Policy Concepts, Joint Activities and Policy Dialogue as the three essential elements to be taken into account in each specific area of APEC economic and technical co-operation.

I COMMON POLICY CONCEPTS

APEC economies will develop Common Policy Concepts including goals, basic principles and priorities in each specific area of APEC economic and technical cooperation. APEC economies recognize that, given the diversity of the Asia-Pacific region, Common Policy Concepts will serve to:

a. guide Joint Activities; and
b. inform the development of each APEC economy’s policies/activities.

II JOINT ACTIVITIES

In the light of Common Policy concepts, APEC economies will engage in Joint Activities such as compilation and sharing of data and information, surveys, training, seminars, research and technical demonstrations. Various means including Partners for Progress (PFP) will be utilized to strengthen these activities. APEC economies will prepare economic outlooks for the Asia-Pacific region that will provide a useful reference for APEC activities. Joint Activities will serve to:

a. improve APEC economies’ ability to analyze current and future economic trends, and develop and implement policy measures;

b. utilize regional resources more effectively; and

c. increase the effectiveness of policy measures.

---

9 Economic and technical cooperation which directly supports trade and investment liberalization and facilitation is mainly dealt with in Part One.
III POLICY DIALOGUE

APEC economies will hold Policy Dialogue on economic issues.

a. Dialogue on Common Policy Concepts and Joint Activities will serve to:
   - develop and review Common Policy Concepts;
   - evaluate the effect of Joint Activities;
   - develop further Joint Activities; and
   - identify the best way to implement cooperation in the light of differences in policies among APEC economies.

b. Dialogue on each APEC economy’s policies/activities will allow APEC economies to:
   - share expertise and experience; and
   - consult and exchange views on their policies/activities in the light of Common Policy Concepts.

SECTION B: ECONOMIC AND TECHNICAL COOPERATION IN SPECIFIC AREAS

Bearing in mind the three essential elements, APEC economies will pursue economic and technical cooperation. The following is an illustrative reference of Common Policy Concepts and Joint Activities/Dialogue in specific areas of cooperation. The full text of Action Programs in specific areas is annexed and forms an integral part of this Action Agenda.

1. AGRICULTURAL TECHNICAL COOPERATION

COMMON POLICY CONCEPTS

Given differences in needs and levels of development among APEC economies, strengthening Agricultural Technical Cooperation (ATC) is expected to lead to balanced agricultural development, resource utilization and conservation as well as improved food variety and quality. APEC economies will seek to enhance the capability of agriculture and its related industries to contribute to economic growth and social well-being. APEC economies will undertake ATC on the basis of principles including:

a. paying due consideration to the diversity of agricultural sectors;
b. recognizing the rapid changes occurring in the agricultural sector; and
c. adding value to activities undertaken by international agencies.

JOINT ACTIVITIES

APEC economies will, inter-alia.

a. promote activities on conservation and utilization of plant and animal genetic resources by, for instance, developing individual genetic resources databases by 2003;
b. promote research, development and extension of agricultural biotechnology by, for instance, following up on activities carried out with respect to communications by 2004;
c. strengthen regional cooperation in production, processing, marketing, distribution and consumption of agricultural products by, for instance, developing cooperative work plans for development of supermarket/cold-chains and related distribution systems by 2003;
d. strengthen regional cooperation in plant and animal quarantine and pest management by, for instance, conducting a survey of the availability of specific technical expertise by 2003;
e. strengthen regional cooperation in the development of agricultural finance systems by, for instance,
updating information on agricultural finance systems by 2003;
f. promote agricultural technology transfer and training by, for instance, identifying key information on agricultural technology transfer and training by 2002; and
g. strengthen regional cooperation in sustainable agriculture and related environmental issues by, for instance, establishing the directory of experts, institutions and centers of research for sustainable agriculture by 2002.

2. ENERGY

COMMON POLICY CONCEPTS

Regional energy consumption is rapidly increasing in tandem with the economic expansion of the Asia-Pacific region, turning energy into a potential bottleneck to sustainable economic growth. APEC economies will address the simultaneous achievement of the 3Es (economic growth, energy security and environmental protection) by sharing policy principles and enhancing closer cooperation toward the development of APEC as a sustainable energy community. APEC economies will set priority on the following:

a. fostering a common understanding on regional energy issues;
b. facilitating investment in the energy sector where appropriate;
c. reducing the environmental impact of the energy sector; and
d. accepting equivalence in accreditation and increasing harmonization of energy standards.

APEC economies will develop a range of shared energy goals, building on and expanding the fourteen non-binding policy principles for rational energy consumption.

JOINT ACTIVITIES / DIALOGUE

APEC economies will, inter-alia:

a. deliver the Implementation Strategy agreed by Energy Ministers in San Diego, USA, in May 2000. The strategy features a program of implementation facilitation visits to member economies as requested on a voluntary basis and a system of self-reporting on progress on implementation of agreed energy initiatives to Leaders;
b. progress cooperation with the Energy Working Group Business Network (EBN), Energy Regulators’ Forum (ERF) and Asia Pacific Energy Research Centre (APERC) including the consolidation of the APEC energy database and regular dissemination of energy data;
c. improve environmental performance through expanded programs in the fields of clean fossil energy, new and renewable energy technology and end-use energy efficiency and conservation measures;
d. develop and implement an energy security initiative which aims to improve the functioning of energy markets through energy efficiency and conservation; diversification of energy resources; renewable energy development and deployment; and exploration of potential for alternative transport fuels, to alleviate pressure on the oil market, including the role that stocks could play as an option to respond to oil market disruptions;
e. undertake mutual examination of energy policies in line with common policy concepts including strengthening policy dialogue among members on important issues such as energy security, energy infrastructure, energy efficiency, and energy and the environment;
f. develop, implement and report on voluntary pledge and review energy efficiency programs for improving industrial competitiveness, reducing the environmental impacts of energy production, delivery and use, and producing energy savings;
g. develop and implement cooperation initiatives that provide benefits to all citizens, give a human face to development, and provide new options for the clean development and use of energy;
h. sustain the momentum for energy market reform, and contribute to energy security, including to mitigate damages to energy infrastructure after natural disasters;

i. implement the 21st century renewable energy development initiative to advance cooperation in the development and deployment of new and renewable energy technology, especially in developing economies;

j. implement the general policy framework for cooperation on energy standards, including support for inclusion of energy efficiency with the mutual recognition agreements being developed in the APEC region, and establish an APEC energy efficiency test procedures coordinator to facilitate implementation of a product-by-product approach to greater alignment of energy performance test procedures; and

k. implement the Framework for the Integration of Women in APEC.

3. FISHERIES

COMMON POLICY CONCEPTS

The Fisheries sector, like other renewable resource sectors, has a limited production base. APEC economies will seek to maximize the economic benefits to be gained from fisheries resources by promoting their long-term optimum sustainable utilization. Accordingly, APEC economies will set priority on the following:

a. promoting the conservation and sustainable use of fisheries resources, the sustainable development of aquaculture as well as habitat preservation;

b. solving common fisheries resource management problems and aquaculture disease control;

c. enhancing the food safety and quality of fish and fisheries products; and

d. promoting sector specific work relating to trade investment liberalization and facilitation.

JOINT ACTIVITIES / DIALOGUE

APEC economies will, inter alia:

a. facilitate implementation of global sustainable fisheries initiatives in the APEC region;

b. assist APEC economies in the development of modern cooperative fishery management approaches, patterned on the successful workshop hosted by Japan in 1999;

c. reduce destructive fishing practices, particularly those that affect coral reefs;

d. carry on the FWG’s important work in sustainable aquaculture; and

e. support APEC Leaders’ trade, SME, IT and gender initiatives.

4. HUMAN RESOURCES DEVELOPMENT

COMMON POLICY CONCEPTS

The people of the Asia-Pacific region are its most important asset. The human resources needs of the region are both expanding and diversifying in tandem with its growth and dynamism. In responding to the human resources challenges in the region, APEC has defined three overarching themes underlying work in the HRD Working Group:

- Education;
- Labor and Social Protection; and
- Capacity Building.
Uniting these themes are eight priority action areas:

i) providing a quality basic education;
ii) analyzing the regional labor market to allow sound forecasting of trends and needs in HRD;
iii) increasing the supply and enhancing the quality of managers, entrepreneurs, scientists and educators/trainers;
iv) reducing skills deficiencies and unemployment by designing training programs for applications at all stages of a person's working life;
v) improving the quality of curricula, teaching methods and instructional materials for managers and other workers;
vi) increasing opportunities for people seeking to gain skills; and
vii) preparing organizations and individuals to remain productive in the face of rapid economic and technological changes;
as stated in the *Declaration on a Human Resources Development Framework*, and further engage in:

viii) promoting HRD toward the liberalization and facilitation of trade and investment.

**JOINT ACTIVITIES / DIALOGUE**

APEC economies will undertake Human Resources Development Program 21, consisting of 21 sub-programs. In this program, APEC economies will, *inter-alia*:

- a. implement the *APEC Business Volunteer Program*, a mechanism for facilitating the voluntary dispatch of business experts among business/private entities in the region in order to exchange and transfer managerial and technical skills;
- b. implement the *APEC Leaders' Education Initiative*, a set of measures to enhance regional cooperation in higher education and to study key regional economic issues, including the establishment of an APEC Study Center in each APEC economy and the promotion of collaborative research on APEC-related issues;
- c. conduct studies on teacher development practices, on science education programs, and on uses of technology in education, in order to promote the provision of high quality instruction in basic education;
- d. conduct training of executives, managers, engineers, officials and other workers to increase the supply and enhance the quality of these people;
- e. accelerate cooperation relating to trade and investment liberalization and facilitation by means such as holding training courses on standards and conformance and intellectual property rights in order to ensure the availability of the experts required to maintain effective systems in these fields; and
- f. facilitate the mobility of qualified persons in the region through bilateral agreements between interested APEC economies for the mutual recognition of professional qualifications,

and, in addition to this program, will:

- g. conduct regular dialogue on the HRD policies and HRD situation of each APEC economy, establishing performance indicators such as adult literacy levels and levels of enrollment in elementary and secondary education as a basis for conferral; and
- h. support the development of useful labor market information and policy, improved workplace conditions and practices, and strong social safety nets, in support of human capacity building and social integration.

In pursuing this program, due attention will be given to optimise integration of gender and youth into APEC activities. In responding to the *Beijing Initiative* which calls for involvement of the stakeholders in human capacity building efforts, APEC economies will explore mutually beneficial cooperation between the government, business/private and education/training sectors.
5. INDUSTRIAL SCIENCE AND TECHNOLOGY

COMMON POLICY CONCEPTS

Improved levels of industrial science and technology will enhance economic growth, quality of life, environmental protection and development of a well-balanced industrial structure. APEC economies will improve the IS&T capabilities of each economy by recognizing eight non-binding principles for effective collaboration and by setting priority on the following:

a. improving researcher exchange and human resources development;
b. improving the flows of technological information and technology;
c. facilitating joint research projects;
d. improving the transparency of regulatory frameworks; and
e. contributing to sustainable development.

JOINT ACTIVITIES / DIALOGUE

APEC economies will, inter-alia:

a. strengthen APEC cooperation in key technologies through collaborative R&D initiatives, technology road mapping, technology foresight, improvements in the transparency of regulatory frameworks, and other joint activities. Key technologies would include advanced materials, nanotechnologies, industrial biotechnology, environmental technologies, information and communication technologies;
b. connect research and innovation in APEC economies through strengthening collaboration between government, industry (especially SMEs) and the research community; technology diffusion initiatives especially the transition of emerging technologies to new industries; and enhancing information flows on science and technology among member economies, including through ASTWeb;
c. build human capacity for S&T for the New Economy through S&T awareness in secondary schools; training/skills development initiatives in critical areas of industrial S&T, environment, and health; researcher exchanges/cooperation; fostering partnerships between educational institutions and industry; and adoption of distance learning technologies;
d. help ensure the prevention and control of infectious diseases through implementation of the APEC strategy for the prevention and control of infectious diseases of particular significance to the region, based on the ISTWG action plan on Emerging Infectious Diseases (EID), and through the sharing of priority health intelligence, joint educational and training activities, exchange of strategic human and technical resources, and other relevant cooperative actions;
e. meet environmental challenges through science, technology and innovation within a framework of sustainable industrial development. Initiatives will include implementation of the recommendations of the APEC Cleaner Production Task Force, promoting environmental sustainability, natural disaster mitigation, and addressing climate change, resource productivity and conservation of biodiversity (except for conservation of plant and animal genetic resources in agriculture mentioned in the section 1). Appropriate waste management approaches, particularly for SMEs, will continue to be a priority with an emphasis on improving water quality and urban air quality; and
f. undertake dialogue on Industrial Science and Technology policies across APEC economies related to S&T policy, technology development and diffusion, networking and collaboration, gender and the scientific underpinnings of regulations and standards.

6. INFRASTRUCTURE

COMMON POLICY CONCEPTS

The pace of economic growth in the Asia-Pacific region depends on the improvement of economic
infrastructure. APEC economies will seek to accelerate infrastructure improvement together with the support and enhancements it provides to wider economic, environmental and community development initiatives, facilitating investment in infrastructure and encouraging business/private sector involvement.

JOINT ACTIVITIES / DIALOGUE

APEC economies will, inter-alia:

a. conduct analytical work on issues relating to the overall infrastructure environment;
b. explore ways to enhance the effectiveness of infrastructure improvement, such as:
   − compiling best practices for use as benchmarks in the examination of the respective roles of the public and business/private sectors,
   − developing guidelines on infrastructure policy, regulation and investment to ensure a more transparent and coherent environment for the business/private sector; and strengthening of infrastructure services’ support to regional and urban sustainable economic development, APEC Food System enhancements, environmental management;
c. catalyze and support economic infrastructure and related cooperation networks and links to other fora such as to:
   − promote the exchange and application of best practices,
   − focus capacity development and training in infrastructure and development planning,
   − encourage the integration and local application of other APEC supported initiatives, such as under the APEC Food System, sectoral infrastructure measures, and the addressing of gender and sustainable development concerns; and
d. conduct public-private sector dialogue to support the identification, prioritizing, and implementation of these and economic infrastructure cooperation initiatives.

7. MARINE RESOURCE CONSERVATION

COMMON POLICY CONCEPTS

The marine environment contributes substantially to the economic viability of APEC economies through trade in fisheries and aquaculture products, other marine commodities and tourism. These are dependent on active conservation of marine resources and the marine environment, degradation of which has significant socioeconomic costs. While enhancing trade and investment in marine products, APEC economies will aim to protect the marine environment and to ensure continuing socioeconomic benefit. APEC economies will set priority on the following:

a. addressing integrated ocean and coastal zone management;
b. enhancing coordination in the implementation of UNCED Agenda 21 (Oceans Chapter and other related chapters) recommendations in the APEC Region;
c. reviewing and resolving marine algal toxin issues.

JOINT ACTIVITIES / DIALOGUE

APEC economies will, inter-alia:

a. make recommendations on related policies, standards, certification, regulatory requirements, conformance assurance and other areas;
b. improve the flow of information on marine resource management and conservation;
c. provide guidance on management of critical areas of their coastal zones, and also on development of effective communication, information exchange and planning mechanisms;
d. assess structural barriers to the conservation and sustainable development of marine resources, develop strategies for action and develop an action framework; and

e. conduct policy dialogue and establish public-private partnership to share scientific and technical information and resource, to identify and assess environmental and gender issues, and to develop practical, action-oriented approaches to maintaining the quality of the marine environment.

8. SMALL AND MEDIUM ENTERPRISES

COMMON POLICY CONCEPTS

SMEs are a critical engine for growth and innovation in the Asia-Pacific region, able to respond flexibly to technological advancement and the diversification of consumer needs. APEC economies will cooperate to maintain and develop SME dynamism by improving the economic environment so that SMEs may fully exploit their creativity and mobility, by helping SMEs address priority fields – human resources, information access, technology and technology sharing, financing and market access – and by improving SME policies. APEC economies will base their cooperation on principles such as:

a. ensuring the availability and transparency of information on their respective SME policies to help improve SME policies in the region;

b. developing and implementing non-discriminatory market-oriented SME policies to maximize SMEs’ responses to market mechanisms and to provide the most favorable environment for SME economic activities and for further SME development; and

c. recognizing that SME policies should focus not only on individual enterprises, but also on group enterprises and cooperatives.

JOINT ACTIVITIES / DIALOGUE

APEC economies will, inter-alia:

a. convene training programs, seminars and workshops, including the APEC SME and New Business Support Workshops;

b. undertake industrial studies, such as ‘Industrial Outlook Study’, consisting of comprehensive/sectoral studies on intra-regional industrial interdependence taking into consideration gender considerations, to enable SME policy makers and SMEs to come to a better understanding of the economic environment;

c. survey each economy’s SME policies and reporting by economies, on a voluntary basis, their respective policies/best practices on SME development and their differential impacts on women and men, in order to enhance mutual understanding of APEC economies’ policy practices, using the agreed criteria and ideas of best practices;

d. further develop and implement the program of activities for the APEC Centre for Technology Exchange and Training for SMEs as a resource centre for handling information networking, developing equal training opportunities for women and men and organising SME-targeted activities.

e. survey the financial markets for SMEs and establish an APEC database to disseminate and exchange information on start-up companies and venture capital, improve the financing environment of SMEs particularly those owned by women and consult the reports of the finance minister process; and

f. maintain and update the ‘Guide for Small and Medium Enterprises in the APEC Region’ – a Directory of Economies’ agencies who are in charge of providing support for SMEs.
9. TELECOMMUNICATIONS AND INFORMATION

COMMON POLICY CONCEPTS

As the economic interdependence among APEC economies deepens, telecommunications and information infrastructure in the Asia-Pacific region has a critical role to play in strengthening market linkages and enhancing trade and investment liberalization and facilitation. APEC economies will therefore seek to develop an Asia-Pacific Information Infrastructure (APII) on the basis of the following ten principles:

a. encouraging APEC economies in the construction of domestic telecommunications and information infrastructure based on their own reality;
b. promoting a competition driven environment;
c. encouraging business/private sector investment and participation;
d. creating a flexible policy and regulatory framework;
e. intensifying cooperation among APEC economies;
f. narrowing the infrastructure gap between the developed and the industrializing economies;
g. ensuring open and non-discriminatory access to public telecommunications networks for all information providers and users in accordance with domestic laws and regulations;
h. ensuring universal provision of and access to public telecommunications services;
i. promoting diversity of content, including cultural and linguistic diversity; and
j. ensuring the protection of intellectual property rights, privacy and data security.

JOINT ACTIVITIES / DIALOGUE

APEC economies will, inter-alia:

a. conform, where appropriate, to the Guidelines on Trade in International Value-Added Network Services (IVANS) and generally conform, where appropriate, to the Guidelines on the regional Harmonization of Equipment Certification Procedures;
b. continue to work to harmonize administrative procedures governing certification of customer telecommunications equipment;
c. accelerate the pace of implementation of the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment (MRA);
d. share information on the state of the telecommunications regulatory environment and infrastructure development in each APEC economy in order to improve business/private sector access to related policies, regulations and other information;
e. promote electronic commerce through seminars, studies on electronic data interchange application development, and experiments on the interoperability and suitability for electronic commerce of various networks;
f. increase cooperation in infrastructure activities between APEC and other international institutions and fora;
g. encourage the testing and dissemination of new technologies to achieve the Asia-Pacific Information Infrastructure (APII);
h. promote human resources development by means such as holding training courses on privatization and competition in telecommunications and information industries, and working towards a distance learning pilot project for experts in this area;
i. work to encourage universal access to internet services, to bridge the digital divide at the domestic, regional and global levels and to cooperate and collaborate with the business/private sector in this effort.
j. foster discussion between business/private sector and governments on appropriate means to assess and reward the value of products and services exchanged in the provision of converged Internet services among APEC economies, consistent with the APEC Principles on International Charging.
Arrangements for Internet Services;

k. foster the development of effective policies that support competitive markets in the domestic and international telecommunications and information industries.

l. work to ensure that policy and regulatory environments better foster the uptake of e-commerce;

m. implement, within voluntary time frames, the APEC Interconnection Principles and consult on the need for further discussions on interconnection; and

n. implement the Gender Integration Plan.

10. TOURISM

COMMON POLICY CONCEPTS

The tourism industry is of growing importance in promoting economic growth and social development in the Asia-Pacific region. APEC economies will seek to achieve long-term environmental and social sustainability of the tourism industry by setting priority on the following:

a. removing barriers to tourism movements and investment and liberalizing trade in services associated with tourism;

b. developing and implementing the concepts of environmental and social sustainability in tourism development;

c. facilitating and promoting human resources development;

d. enlarging the role of the business/private sector;

e. developing cooperation and programs in the fields of information-based services related to trade in tourism; and

f. sharing information among APEC economies.

JOINT ACTIVITIES / DIALOGUE

APEC economies will, inter-alia:

a. to identify impediments to tourism growth and formulate strategies that will improve tourism movements and investment in the region;

b. to increase mobility of visitors and demand for tourism goods in services;

c. to encourage and support the protection and conservation of cultural heritage and natural sites and the use of ‘best practice’ models in implementing the concepts of environmental and social sustainability to tourism development;

d. to enhance recognition and understanding of tourism as a vehicle for economic and social development;

e. to expand human resource development tools and exchange information and experience through the development of a database of core statistical information, including gender disaggregated data, and establish a research network to assist industry and governments to develop more effective marketing and planning regimes; and

f. to raise awareness of the economic impact to tourism in the region.

11. TRADE PROMOTION

COMMON POLICY CONCEPTS

APEC economies will seek to stimulate intra-regional trade through trade promotion measures such as holding trade fairs, disseminating information on trade-related issues and potential business opportunities,
and providing advice on trade-related procedures.

**JOINT ACTIVITIES / DIALOGUE**

APEC economies will, *inter-alia*:

a. hold APEC Trade Fairs on a regular basis;
b. establish a network among trade promotion organizations in order to enhance linkages and cooperation among them;
c. improve and convene training courses for the furtherance of trade promotion-related skills, and develop a mechanism for the exchange of trade promotion experts;
d. compile, exchange and disseminate the information among trade promotion organizations and business/private sectors of member economies, on strategies, measures, and activities which support and facilitate trade promotion in member economies, such as internet services, trade financing, assistance for SMEs, performance measurements of promotion activities, etc.;
e. implement projects to maximize the role of trade promotion organizations in promoting electronic trade among member economies; and
f. conduct activities to promote trade in food products and gender integration in the international trade field.

12. **TRANSPORTATION**

**COMMON POLICY CONCEPTS**

The ability of a transportation system to efficiently handle the movement of people and goods is critical in order to maximize economic productivity, facilitate trade and contribute to the mobility of people. APEC economies will therefore seek to develop an efficient, safe and integrated regional transportation system. The development of the transportation sector should promote equitable economic development to help people of all APEC economies share the benefits of economic growth. APEC economies will set priority on the following:

a. facilitating the harmonization, coordination and transparency of transport policies, regulations, procedures and standards;
b. promoting timely rational investment in the transport infrastructure;
c. encouraging the efficient use of existing infrastructure through the application of appropriate trade and transport facilitation techniques;
d. promoting transport system safety and security;
e. promoting, on the basis of fair and equitable access to markets, a more competitive transportation operating environment and cooperating to address institutional constraints which affect the provision of transportation services; and
f. facilitating the improvement of productivity, skills and efficiency of labor and management in the transport industry.

**JOINT ACTIVITIES / DIALOGUE**

APEC economies will, *inter-alia*:

a. respond to the Leaders ‘Auckland Challenge’ of 1999, by implementing the eight steps for more competitive air services on a voluntary basis and by identifying further steps to liberalise air services in accordance with the Bogor Goals, and provide annual progress reports to Leaders through SOM;
b. develop by 2005 guidelines, standards and provisional options associated with an integrated transport
system for the improvement or elimination of ‘bottlenecks’ in the region;

c. improve by 2005 port efficiency and capacities in the region through the exchange of information and expertise among port experts and programs;

d. develop by 2005 an efficient, safe and competitive operating environment for maritime transport and the ports sector in the region through improved transparency of maritime and port policies;

e. develop by 2005 a plan to facilitate the implementation of satellite navigation and communications systems in the region;

f. provide by 2002 a mechanism for increased cooperation and communication between APEC Economies in the transportation security area;

g. continue work to address aviation and maritime safety deficiencies in the region and propose recommendations for improvement;

h. identify by 2002 road safety issues and problems in the region and develop comprehensive strategies to address these;

i. implement the action plan on Intelligent Transport Systems (ITS) to promote cooperation in ITS technology and standards;

j. consider by 2005 measures to promote transparency in regulations, resolve differences in conformity assessment and facilitate the mobility of transport personnel by encouraging the mutual recognition of professional qualifications;

k. continue the seafarers training project to meet seafarers’ training needs in the APEC region;

l. implement the Framework for the Integration of Women in APEC and identify initiatives for the full participation of women in the transportation sector; and

m. identify by 2005/2010 the intermodal skills needed within APEC member economies and suggest methods of developing training programmes.

SECTION C: FURTHER DEVELOPMENT OF ECONOMIC AND TECHNICAL COOPERATION

APEC fora will make proposals for the expansion and improvement of Common Policy Concepts, Joint Activities and Policy Dialogue in their respective areas where appropriate. The inclusion of additional areas to those initially defined in Section B: Economic and Technical Cooperation in Specific Areas may be considered. Proposals on the above will be submitted to the Ministerial Meeting.

APEC fora, notably Working Groups, will begin the work outlined in Section B: Economic and Technical Cooperation in Specific Areas immediately; cooperating with each other to enhance the efficiency of APEC activities. In the above process, duplication of work among APEC fora should be avoided.

Each APEC forum will submit an annual progress report to the SOM. The SOM will review this progress and submit a report to the annual Ministerial Meeting for review. Work by relevant APEC Ministerial Meetings should be duly recognized.

This Action Agenda may be revised and improved as necessary based on the overall progress of liberalization, facilitation and cooperation in APEC.
Action Programs in Specific Areas

AGRICULTURAL TECHNICAL COOPERATION
ENERGY
FISHERIES
HUMAN RESOURCES DEVELOPMENT
INDUSTRIAL SCIENCE AND TECHNOLOGY
MARINE RESOURCE CONSERVATION
SMALL AND MEDIUM ENTERPRISES
TELECOMMUNICATIONS AND INFORMATION
TOURISM
TRADE PROMOTION
TRANSPORTATION
ACTION PROGRAM FOR AGRICULTURAL TECHNICAL COOPERATION

1 INTRODUCTION

Agriculture is an important sector for many APEC economies. It has played an important role in the economic progress in this region. Agricultural development has been strongly influenced by technology. Agricultural Technical Cooperation in coordination with agricultural resources leads to improvement on production capability, and food variety and quality. Because the need and level of development in each member economy is different, strengthening Agricultural Technical Cooperation among APEC members will have a significant impact on a balanced agricultural development, resource utilization and conservation in the region. The Agricultural Technical Cooperation initiative provides an opportunity to enhance agriculture’s contribution to the region's economic growth and social well being, consistent with the vision of the Bogor Declaration.

2 COMMON POLICY CONCEPTS

The following objective, principles and strategies are shared as policy concepts by APEC member economies.

a Goal

To enhance the capacity of agriculture and its related industries to contribute to economic growth and social well-being in the region.

b Basic Principles

i) Accord with APEC goals for economic and technical cooperation.
   ii) Mutually beneficial to all members and open to participation by all interested members.
   iii) Avoid duplication with, and add value to, other activities undertaken by international agencies and regional forums.
   iv) Pay due consideration to the diversity of agricultural sectors in the region.
   v) Recognize the rapid changes occurring in the agricultural sector throughout the region.
   vi) Coordinate closely with other APEC joint activities.
   vii) Any joint activities to be funded from the APEC central fund or from other sources through APEC.
   viii) Arrange meetings in a way which minimizes resource costs to maximize member participation.

c Priorities

In order to realize the goal of this action program, Agricultural Technical Cooperation will be implemented, with placing priority on the following areas of activities:

   i) Conservation and utilization of plant and animal genetic resources.
   ii) Research, development and extension of agricultural biotechnology.
   iii) Production, processing, marketing, distribution and consumption of agricultural products.
   iv) Plant and animal quarantine and pest management.
   v) Cooperative development of agricultural finance system.
   vi) Agricultural technology transfer and training.
   vii) Sustainable agriculture and related environmental issues.
3 JOINT ACTIVITIES

I Conservation and Utilization of Plant and Animal Genetic Resources

i) Develop individual genetic resources databases; identify and fill the gaps among these databases by 2003.

ii) Identify APEC-wide needs for genetic resources management based on individual member economy’s genetic resources databases by 2002.

iii) Establish an APEC information network for the exchange of genetic resources-related information by 2004.

iv) Publish an APEC booklet or information package on the relationship between indigenous animals and human with local agricultural implications by 2002.

II Research, Development and Extension of Agricultural Biotechnology

i) Through tools developed (e.g. Communicating About Agricultural Biotechnology in APEC Economies: A Best Practices Guide), and through effective use of the APEC Internet site, follow up and document activities carried out with respect to communications and feedback successes to APEC economies by 2004.

ii) Discuss key technical matters on agricultural biotechnology issues related to risk assessment/management of biotechnology products by 2004, in order to facilitate the development of science-based assessment frameworks in all member economies.

iii) Further carry out information sharing related to agricultural biotechnology on member economies such as regulatory frameworks and on relevant international organizations by 2005.

iv) Develop, identify, and participate in training opportunities or internships/fellowships in the areas of regulation, safety assessments, research and detection methodologies related to agricultural products of biotechnology, and document best practices by 2005.

III Production, Processing, Marketing, Distribution and Consumption of Agricultural Products

i) Develop cooperative work plans for development of supermarket/cold-chains and related distribution systems by 2003.

ii) Develop cooperative work plans for improvement of post-harvest and food processing technologies by 2003.

iii) Development of the network system on grade standards, requirements and regulations by 2003.

iv) Develop information network system concerning both supply and demand of food by 2003.

IV Plant and Animal Quarantine and Pest Management

i) Conduct a survey of the availability amongst member economies of specific technical expertise and information by 2003.

ii) Implement joint surveys of pests and diseases using standardized techniques to better manage pests and diseases which are likely to cross common boundaries by 2004.

iii) Establish an information network system for the exchange of quarantine and pest management information by 2003.

V Cooperative Development of Agricultural Finance System

i) Update information on agricultural finance systems of individual member economies, including information of consultants/experts by 2003.

ii) Implement a series of training courses on agricultural finance by 2002.
VI Agricultural Technology Transfer and Training

i) Identify key information on agricultural technology transfer and training useful to member economies by 2002.

ii) Identify key agricultural technology transfer and training activities by 2003.

iii) Develop joint research and training program on agricultural technology transfer and training by 2004.

VII Sustainable Agriculture and Related Environmental Issues

i) Establish the directory of experts, institutions and centers of research for sustainable agriculture by 2002.

ii) Identify key information on agricultural practices, agro-ecosystem and environmental issues that may affect sustainable agricultural development by 2003.

iii) Identify key information on rural development and socio-economic factors that may affect rural development by 2004.

iv) Establish information network system on sustainable agriculture, related environmental issues and rural development by 2003.
ACTION PROGRAM FOR ENERGY

1 INTRODUCTION

At the request of APEC Leaders, Senior Officials preparing for the Osaka Leaders’ Meeting in 1995 began the task of developing an Action Agenda to implement the Bogor Declaration. Working Groups and other APEC fora were asked to contribute to the Action Agenda by designing mid-term and long-term action programs on economic and technical cooperation (including infrastructure), and, where possible, on trade and investment liberalisation and facilitation. Senior Officials called for short term tangible results which could serve as down payments for the Action Agenda.

In addition to these general requirements, the then Working Group on Regional Energy Cooperation (now EWG) was specifically requested to include in its action program measures to give effect to the 3Es Initiative (economic growth, energy security and environmental protection) of APEC Leaders.

At their meeting in Sydney in 1996, APEC Energy Ministers endorsed 14 non-binding policy principles for rational energy consumption.

Energy Ministers at their fourth meeting (EMM4) held in San Diego, USA, on 12 May 2000, under the theme ‘Turning Vision into Reality’ conveyed their conviction to make the best effort for the simultaneous pursuit of economic growth, energy security and environmental protection, recognising that energy is central to maintaining the region’s economic recovery, building the region’s economic and social future, strengthening the marketplace, and promoting clean and sustainable development. In their message to APEC Leaders, Energy Ministers also committed to a set of primary principles that underpin APEC activities in the energy sector and to a new implementation strategy for APEC’s energy program.

At the 21st meeting of the Energy Working Group (EWG21) held on 18–19 May 2001 in Kuala Lumpur, Malaysia, member economies agreed the Vision, Objectives, and Plan of a new Future Directions Strategic Plan for the EWG.

2 COMMON POLICY CONCEPTS

a. Future directions strategic plan

Our Vision

The vision of the Energy Working Group holds that the EWG will promote the 3E’s (economic growth, energy security and environmental protection) and more broadly the contribution of energy to the economic, social, and environmental enhancement of the APEC community.

The EWG will achieve this by cooperation among member economies through government policy makers, technical experts, business/private sector representatives and regulators, working in partnership under the aegis of the EWG.

Our Objectives

The EWG will work cooperatively over the next five years to promote our vision through voluntary agreements, which take into account the individual circumstances of member economies. As part of its contribution to sustainable development within APEC, the EWG will pursue the following objectives:

i) strengthening the security and reliability of affordable energy to all within our APEC community;

ii) promotion of clean and efficient technologies, and the efficient use of energy to achieve both
economic gains and environmental enhancement;

iii) achieving environmental improvement of energy production, use and mineral extraction within our APEC community;

iv) harnessing all expertise available to the EWG to give effect to the above objectives; and

v) implement the Framework for the Integration of Women in APEC.

Our Plan

The EWG will promote policy approaches and initiatives and adopt work programs within the following strategic themes:

i) Fostering a common understanding on regional energy issues.

ii) Improving the analytical, technical, operational and policy capacity within member economies.

iii) Facilitating energy and minerals resource and infrastructure development in an environmentally and socially responsible manner.

iv) Facilitating energy efficiency and conservation

v) Facilitating improved reliability and stability in the provision of energy supply to meet demand.

vi) Facilitating energy technology development, exchange, application and deployment.

vii) Facilitating a diverse and efficient supply mix.

b. Basic Principles

In 1996 Energy Ministers endorsed 14 non-binding policy principles for rational energy consumption, agreeing to:

1. Emphasise the need to ensure energy issues are addressed in a manner which gives full consideration to harmonisation of economic development, security and environmental factors.

2. Pursue policies for enhancing the efficient production, distribution and consumption of energy.

3. Pursue open energy markets for achieving rational energy consumption, energy security and environmental objectives, recommending action in the appropriate forum of APEC to remove impediments to the achievement of these ends.

4. Recognise that measures to facilitate the rational consumption of energy might involve a mix of market based and regulatory policies, with the relative components of the mix being a matter for the judgement of individual economies.

5. Consider reducing energy subsidies progressively and promote implementation of pricing practices which reflect the economic cost of supplying and using energy across the full energy cycle, having regard to environmental costs.

6. The regular exchange of experience on the various policies being used by member economies to achieve a more rational energy consumption.

7. Ensure that a least cost approach to the provision of energy services is considered.

8. Promote the adoption of policies to facilitate the transfer of efficient and environmentally sound energy technologies on a commercial and non-discriminatory basis.

9. Encourage the establishment of arrangements for the development of human resource skills relevant to the application and operation of improved technology.

10. Enhance energy information and management programs to assist more rational energy decision making.

11. Encourage energy research, development and demonstration to pave the way for cost effective application of new, more efficient and environmentally sound energy technologies.

12. Promote capital flows through the progressive removal of impediments to the funding of the transfer and adoption of more energy efficient and environmentally sound technologies and infrastructure.
13. Promote cost effective measures which improve the efficiency with which energy is used but reduce greenhouse gases as part of a suggested regional response to greenhouse gas reductions.

14. Cooperate, to the extent consistent with each economy's development needs, in the joint implementation of projects to reduce greenhouse gas emissions consistent with the Climate Change Convention.

Members will develop and build on these principles, including into additional areas where consensus can be reached, consistent with the EWG Future Directions Strategic Plan.

c. Priorities

The EWG's Action Program does not attempt to include the full spectrum of the Group's activities. Rather it seeks to focus on key initiatives that will produce outcomes of direct relevance to the achievement of the objectives of the Bogor Declaration and the 3Es initiative.

The activities set out in the Action Program address both elements of the APEC Action Agenda (Part I concerning trade and investment liberalisation and facilitation, and Part II concerning economic and technical cooperation) and cover the seven strategic themes referred to in the Plan above.

3 JOINT ACTIVITIES

I. Fostering a common understanding on regional energy issues

The EWG will continue to consolidate its energy database and production of a regional energy outlook. The outlook fosters member economies' better understanding of the energy policy implications of future energy supply and demand trends and developments, thereby assisting member economies' decision making processes. The regional energy outlook is, and will continue to be, produced by the Asia Pacific Energy Research Centre (APERC) formally established in mid-1996, located in Japan and managed under the auspices of the Energy Working Group.

Activities aimed at further expansion of the APEC energy data base will be carried out by the Expert Group on Energy Data and Analysis. This will be achieved through the identification and collection of additional economic and social indicators, and by the collection of data on final energy consumption on a more disaggregated basis. Where possible, this data will be collected from existing authorised international statistics. Other data will be submitted by each member economy. The timeliness and quality of oil market supply and demand data will be improved through activities aimed at improving the collection of this information from APEC member economies. These activities will be enhanced through technical cooperation with other multilateral agencies involved in energy data collection and analysis activities.

The EWG also encourages the free and open exchange of information on member economies policies and programs in the energy sector. This is facilitated through policy dialogue, and the exchange of information on notable energy developments and programs within member economies at EWG officials meetings.

Energy Ministers meeting in Okinawa, Japan, in 1998 recognised the importance of continuing improvements in the production, delivery and use of energy and agreed to implement a voluntary Pledge and Review program. EWG member economies report to meetings on progress against their pledged efficiency programs on an annual basis as a means of exchange of knowledge and information.
II. Improving the analytical, technical, operational and policy capacity within member economies

The EWG will continue to actively pursue the Implementation Strategy endorsed by Energy Ministers in San Diego, USA, in May 2001 through delivery of the implementation facilitation assistance team (IFAT) process and annual reporting on a voluntary basis by member economies against the primary principles contained in the Implementation Strategy.

The IFAT program is a mechanism developed by the EWG to assist APEC member economies to implement agreed energy initiatives, including, amongst other things, power and gas sector reform. Under the program, and at the invitation of a member economy government, a team of energy experts visits the host economy to share experiences and provide advice on options and approaches to implementing energy market reforms or other aspects of the energy sector. Team members are drawn from a cross-section of APEC member economies, including representatives of the EWG Business Network, the Energy Regulators Forum, and other nominated experts.

The EWG will complete a study on ‘Strengthening the Operational Aspects of APEC Energy Micro-Economic Reform’ and deliver a series of workshops aimed at improving the understanding within APEC of the role of micro-economic reform in energy markets and the efficiencies and benefits to consumers that can result. The workshops will also work to inform on issues associated with barriers to investment in the energy sector and the means by which those barriers can be removed and private sector investment can be mobilised.

The EWG will undertake a project aimed at providing quantitative analysis of the broad economic impacts of micro-economic reform policies to deregulate energy markets in the APEC region. Using macro-economic modelling, the project will permit an assessment of the benefits to economies through lower energy prices and more open and transparent energy markets that are expected to flow from regulatory reform. The project will assess the potential benefits of reform at both the economy wide level – through impacts on gross domestic product and sectoral outputs – as well as at the energy sector level – through impacts on energy prices, consumption and trade. The project will quantify the potential impacts of regulatory reform in the energy sector on macroeconomic performance as well as on energy consumption, prices and trade. The project will analyse the impacts of deregulation in the electricity sector as well as in primary fuel markets for petroleum, gas and coal, where appropriate.

III. Facilitating energy and minerals resource and infrastructure development in an environmentally and socially responsible manner

In Edmonton, Canada, in 1997 APEC Energy Ministers endorsed an Environmentally Sound Infrastructure Initiative. Ministers noted that the rapid increase in power infrastructure, which will be necessary to meet the economic and social aspirations of the region, will have impacts on the environment, and that these impacts can be of a local, regional, or global nature. Ministers further noted that the challenge facing the region was to attract investment in power infrastructure, while at the same time ensuring that such infrastructure was established and operated in an environmentally sensitive way.

In Edmonton, Canada, APEC Energy Ministers also asked the EWG to examine ways to encourage greater strategic input from business. Trade and investment decisions in markets are impacted by the policies and practices set by government. To the extent that policies and practices can be changed to remove impediments, improve transparency and reduce risks, new trade and investment opportunities will open up and costs will be reduced. APEC provides an important vehicle for generating such change, providing a mechanism to influence governments at Leader, Ministerial, and Official level. By informing in a constructive way, change can be influenced. This is not a short-term goal, but rather a longer-term objective that will generate mutual benefits with respect to the economic and social goals of governments through increased private sector
investment and trade, and returns to business/private sector through greater opportunities and reduced costs. Crucial to the efficient realization of this objective is strategic input from business/private sector to ensure objectives are well defined and strategies appropriate. As a result, EWG members agreed, at their meeting in March 1998, to the establishment of the APEC EWG Business Network (EBN). The EBN meets twice a year and inputs through dialogue with officials to EWG policy and program development processes.

IV. Facilitating energy efficiency and conservation

Member economies participate in the activities of the five Expert Groups of the EWG. Expert Group activities involve economic and technical cooperation in the areas of Energy Efficiency and Conservation, New and Renewable Energy Technology, Energy Data and Analysis, Clean Fossil Energy, and Energy and Minerals Exploration and Development.

The EWG, Energy Regulators Forum (ERF) focuses its work program on activities that assess, advise and report to EWG on regulatory aspects of energy market developments in the APEC region. The ERF promotes exchange of information and regulatory expertise within and between member economies; facilitating exchanges and strengthening linkages with and between other APEC fora, including the EWG Expert Groups, EWG Business Network (EBN), Asia Pacific Energy Research Centre (APERC), as well as guests of the EWG and ERF; and encouraging member economies to attend and participate in appropriate APEC and EWG funded workshops and seminars that have an energy regulatory component.

In San Diego, USA, in May 2001 Energy Ministers called for the establishment of the position of an APEC Energy Efficiency Test Procedures Coordinator. The EWG will establish this position with the purpose of continuing the work started by the Steering Group on Energy Standards (SGES) on reducing barriers to trade created by differing energy performance test methods and energy performance requirements. The overall purpose will be met via the five objectives identified by the SGES:

i) Developing, implementing and maintaining a standards web site — this will maintain up-to-date and accurate information about energy standards and regulations in APEC member economies.

ii) Managing a Standards Notification Procedure — to disseminate information relating to changes to energy efficiency standards within member economies to all relevant parties and to provide coordination between member economies on the development of energy standards.

iii) Monitoring international standards processes and developing a database for standards — tracking international developments in the field of energy standards.

iv) Coordinating APEC standards participation networks and algorithm activities within standards development where integrated with APEC priorities — liaising between relevant parties on matters concerning energy standards and regulations, and assisting in the establishment and presentation of a common 'APEC stance' on energy standards being developed within relevant international standards fora.

v) Monitoring and reporting on the delivery of the SGES work program to reduce or remove the need for multiple testing.

V. Facilitating improved reliability and stability in the provision of energy supply to meet demand

As part of its broad program of work the EWG will develop and implement an energy security initiative which aims to improve the functioning of energy markets; energy efficiency and conservation; diversification of energy resources; renewable energy development and deployment; and explore the potential for alternative transport fuels, to alleviate pressure on the oil market, including the role that stocks could play as an option to respond to oil market disruptions. As part of this initiative, the EWG will deliver a project titled ‘Energy Security Initiative: Petroleum Stocks as an Option to Respond to Oil Market Disruptions’. The objective of
the project is to provide member economies with further options to consider in addressing the economic impacts of oil market volatility and more fundamental energy security concerns. Consistent with the EWG’s approach to all of the initiatives it develops and executes, participation in developing the initiative and any follow up action by individual member economies based on agreed elements of the initiative will be voluntary. The initiative will provide exchanges of information and experience on policy, analytical and technical issues, stock holdings and draw down arrangements, costs, and integration with other energy security measures. The EWG will use the ‘Best Practice model’ of previous initiatives and will emphasize shared experiences. The project will, through a series of workshops, draw upon existing expertise in the EWG and its Expert Groups, the Asia Pacific Energy Research Centre, member economies, and other appropriate organisations.

The EWG will implement an Earthquake Response Initiative that will involve sharing of information and experience. All APEC member economies will strengthen their capacity to prepare for earthquake disasters and to carry out rescue and restoration efforts. Overall, this initiative will lessen the damage to energy systems from earthquakes and increase energy supply security in the region. Initially this initiative will deliver a Report on Energy Infrastructure Earthquake Resistance Guidelines and Regulations of APEC Economies. The project will also deliver a seminar at which the participants from APEC member economies will present guidelines and regulations aiming to reduce the impacts of earthquakes on energy infrastructure, as well as best practices on post-earthquake investigation and restoration. The proceedings of the seminar will be published and widely distributed within the APEC region.

The EWG will undertake a project to identify and address barriers (policy, technical, regulatory and legal) to the interconnection of power grids in APEC member economies. Recommendations for action will be presented to the EWG, and two workshops conducted with relevant parties to disseminate information and strategies on overcoming barriers. Through these workshops member economies will develop and gain a greater and more practical understanding of how to target and implement the policies developed. Workshops would be held in venues to maximise participation of member economies. This project is of significance to developing APEC economies, many of which are characterised by underdeveloped power inter-connections.

VI. Facilitating energy technology development, exchange, application and deployment

The APEC 21st Century Renewable Energy Development Initiative consists of the development within the EWG Expert Group on New and Renewable Energy Technologies (EGNRET) of a series of collaborative efforts among its member economies to advance the use of renewable energy for sustainable economic development and growth of the APEC region. EGNRET has identified the priority needs and issues of its members, especially developing economies, for the promotion of sustainable development and growth, relating to the use of renewable energy. Eight collaborative efforts are being developed and will be implemented by multi-economy and multi-disciplinary ‘program teams’ consisting of representatives from governments, the private sector, NGOs, utilities and financing organisations.

The EWG will implement a research project ‘Harmonising Economic and Environmental Objectives of Energy Policy’. The project will deliver the findings of a comprehensive examination of key relevant issues relating to the harmonisation of economic and environmental objectives of energy policy. The information obtained will assist member economies in decision and policy development processes. The work program will aim to improve the information base in relation to environmental impacts of energy production and use, and assess the extent to which the deployment of technology and end use efficiency can contribute to harmonising environmental and energy objectives.

The EWG will undertake a review of the various standards that exist within APEC that govern the application of new and renewable energy technologies. The results of the review will be documented and shared. A universal knowledge of standards and regulations relating to the application of new and renewable energy technologies within member economies will facilitate a better understanding of the potential barriers to trade in these technologies and products.
The EWG will deliver a series of workshops on the impacts of e-commerce on the energy sector within the APEC region. This work will be undertaken by the ad-hoc task force on e-commerce in energy established by EWG20 in Cusco, Peru.

The EWG will finalise work on energy services whose outcomes will not in any way prejudice activities underway in the WTO on services under the General Agreement on Trade in Services. The EWG will report back to the APEC Committee on Trade and Investment (CTI) so that the Group on Services under CTI can progress this work.

The EWG will undertake work that will provide quantitative analysis of the benefits of the uptake of ‘New Economy’ technologies to the energy sector in APEC member economies. This project will benefit all APEC member economies by providing a common understanding of the implications of these technologies for economic growth and sectoral performance, with a particular focus on energy consumption, production and trade.

VII. Facilitating a diverse and efficient supply mix

The EWG will initiate a project that will determine the extent to which interconnection standards for distributed electricity resources and policies act as barriers to trade within APEC economies. The miniaturisation of electric-generating technologies is a growing trend within APEC economies. These technologies can be placed at the source of electricity consumption rather than at central stations. A lack of interconnection standards could act as a barrier to using these small-scale technologies and, hence, to trade in APEC economies.

4 DIALOGUE ON MEMBER ECONOMIES’ POLICIES/ACTIVITIES

The focus of activities in the Action Program is on cooperative action that will encourage increased policy dialogue between member economies, leading to the further development of shared non-binding policy concepts. The strong foundation created in this manner will provide the basis for member economies to undertake mutual examination of each other’s energy policies, in line with common policy concepts and goals, in order to achieve balanced and sustainable development in the Asia-Pacific region.
ACTION PROGRAM FOR FISHERIES

1 PREAMBLE

The Pacific Ocean, with an area exceeding that of the land mass of the entire world, accounts for about fifty percent of the world’s harvest, consumption and exports of fish and fish products. Aquaculture output in the region accounts for approximately seventy five percent of the world’s total aquaculture production and is playing an increasingly important role in trade and economic development in the region. Fishing is one of the major economic activities in the Asia-Pacific region. In many member economies it forms a significant part of the economic base, and in some smaller economies, particularly in the South Pacific, it provides the only realistic opportunity for their future economic growth and prosperity.

The unique feature of fisheries is that they have a certain limit to their production base. The world’s fisheries, including some in the Pacific, have suffered from over-exploitation and have not always been rationally utilised to ensure sustainable economic development. These factors also apply to aquaculture production which, while seeming to have potential for further expansion, faces environmental limits in the form of water quality, availability of space, etc. Close cooperation among APEC members is required in order to promote long-term optimum utilisation based upon sustainability of the resource. These unique features raise unique issues for the fisheries sector in achieving the direction given by APEC Leaders in the Bogor Declaration.

2 COMMON POLICY CONCEPTS

The following goal, principles and objectives are shared as policy concepts.

a. Goal

Maximize the economic benefits from, and the sustainability of, fisheries resources for the common benefit of all APEC members.

b. Basic Principles

In achieving the above goal the APEC FWG will be guided by the following principles:

i) Shared responsibility

The sustainable development of the regions fisheries and aquaculture resources is the responsibility of all APEC members if we are to achieve long term economic growth based upon the regions fisheries. Further, in order for the benefits from the sustainable development of the regions resources to be realised and shared, all APEC members have a responsibility to advance trade and investment liberalisation and facilitation.

ii) Common Interest/Common Benefit

Many of the problems associated with fisheries and aquaculture management are common to all APEC members. Issues such as over utilisation, user group conflict, environmental degradation, gender, supply and demand trends, and trade and investment barriers are experienced by all members. The solutions developed by some members to these issues could well provide the solutions required in other member economies. There is a common benefit in sharing experiences relating to the resolution of these issues.

iii) GATT/WTO Consistency

In order for the maximum economic benefits from the region’s fisheries to be realised, a progressively
liberalised and ultimately free and open trade and investment regime must be established. Barriers to trade and investment will be reduced and the free flow of goods, services and capital will be promoted in a GATT consistent manner.

iv) Equal Partnership and Mutual Respect
It is recognized that a diversity of circumstances exist in the region. It is also recognized that we all benefit by advancing economic growth, improved education and training and resource sustainability throughout the region.

c. Priorities

The Fisheries Working Group has identified the following objectives that the Group will need to address within its work programme in order to achieve its stated goal.

I. The FWG needs to strengthen economic and technical cooperation in the management of the production base of the fisheries and aquaculture sector in the following areas:

i) Promotion of conservation and sustainable use of fisheries resources domestically and regionally.
ii) Solutions to common fisheries resource management problems.
iii) Promotion of the sustainable development of aquaculture in the region.
iv) Solutions to aquaculture disease control.
v) Promotion of habitat preservation.
vi) Enhancement of the food safety and quality of fish and fisheries products.

II. The FWG needs to promote work in the following areas concerning trade and investment liberalisation and facilitation in the sector:

i) harmonisation of rules and regulations on product standards concerning fish and fisheries products;
ii) the effects of subsidies on resource management within the sector;
iii) the impact of resource management techniques upon trade;
iv) standard principles for the enhancement of the food safety and quality of fish and fisheries products;
v) current barriers to trade (including tariff and non-tariff measures) and investment in the region; and
vi) the supply gap in fisheries products given growing demand.

III. Sector Specific Factors

In developing these objectives consideration needs to be given to the unique characteristics of the resource concerned. The Vision Statement of the FWG provides a context within which to apply the above objectives. However, various sector specific issues will also need to be addressed. These issues can be summarised as:

i) limitation of supply potential from the resource and growing market demand for fisheries products;
ii) the common property nature of the resource and the associated user conflicts that result;
iii) the lack of effective management regimes in some fisheries;
iv) the excess capacity that currently exists in the world's fishing fleets;
v) the lack of coherent internationally agreed rules governing trade and product quality for fisheries products;
vi) the incomplete nature of sector specific information regarding subsidies, administrative barriers
etc; and

vii) the social impacts upon traditional/artisanal fishers and communities of various fisheries management techniques and trade and investment liberalisation.

3 JOINT ACTIVITIES

I. The FWG needs to strengthen economic and technical cooperation in the management of the production base of the fisheries and aquaculture sector in the following areas:

i) Promotion of conservation and sustainable use of fisheries resources domestically and regionally. In this regard, the APEC Joint FWG/MRC Task Force on Destructive Fishing Practices has been developed to focus on: 1) developing and implementing model coral reef fishery management guidelines and practices; 2) establishing a regional harmonized code for identifying fish in trade, through a full deliberative process in APEC; 3) establishing a regional certification system; and 4) outreach strategies including training, and engaging the private sector and non-governmental organizations over the coming years. Unfortunately, the FWG has not followed up on the successful workshop on fishery management concerns hosted by Japan in 1999.

ii) Solutions to common fisheries resource management problems. The FWG hopes that one outcome of an APEC shark project might be capacity building in the APEC region for implementation of the FAO International Plan of Action for shark conservation and management.

iii) Promotion of the sustainable development of aquaculture in the region. We have focused much attention on sustainable aquaculture projects that provide alternatives to reef-destructive fishing practices for the live reef food fish trade.

iv) Solutions to aquaculture disease control. A recently approved project for science-base import risk assessment procedures will contribute to capacity building among fishing companies that are SME's, initially in shrimp aquaculture.

v) Promotion of habitat protection. Prevention of reef destructive fishing has contributed to the protection of coral reef habitat. More needs to be done in this area.

vi) Enhancement of the food safety and quality of fish and fisheries products. Several early FWG projects contributed to regional implementation of HACCP-based seafood safety programs. More technology transfer and training could be provided to build regional capacity in this area.

II. The group needs to promote work in the following areas concerning trade and investment liberalization and facilitation in the sector.

i) Harmonization of rules and regulations on product standards concerning fish and fisheries products.

ii) The effects of subsidies on resource management within the sector.

iii) The impact of resource management techniques upon trade.

iv) Standard principles for the enhancement of the food safety and quality of fish and fisheries products.

v) Current barriers to trade (including all tariff and non-tariff measures) and investment in the region.

vi) The supply gap in fisheries products given growing demand.

General comment: The work of the FWG is hampered by the refusal of some economies to participate in discussions of trade liberalization. In some cases, this is due to the perception that a few economies might impose their approaches on other economies, thereby challenging the sovereign authorities of each economy to establish its own domestic approaches to international problems. In other cases, the reasons
why progress is being blocked are less clear.

III. Sector specific factors – in developing these objectives consideration needs to be given to the characteristics of fisheries. The vision statement of the FWG provides the context within which the above objectives apply. However, various sector specific issues need to be addressed including:

i) limitation of supply potential from the resource and growing market demand for fisheries products.

ii) the common property nature of the resource and the associated user conflicts resulting.

iii) the lack of effective management regimes in some fisheries.

iv) the excess capacity that currently exists in the world’s fishing fleets.

v) the lack of coherent internationally agreed rules governing trade and product quality for fisheries products.

vi) the incomplete nature of sector specific information regarding subsidies, administrative barriers, etc.

vii) the social impacts upon traditional/artisanal fishers and communities.

General comment: The FWG is well-positioned to begin projects that address these concerns. Perhaps the Ocean-related Ministerial Meeting and the WSSD process will begin to provide clarity to our thinking about how to resolve these issues.

4 DIALOGUE ON MEMBER ECONOMIES’ POLICIES/ACTIVITIES

Member economies will engage in dialogue on their policies/activities at the Fisheries Working Group to review and further develop the common policy concepts and the joint activities.
ACTION PROGRAM FOR HUMAN RESOURCES DEVELOPMENT

1 INTRODUCTION

In response to the adoption of the Bogor Declaration in November 1994, the Ministers decided that an action program would be formed around the components of (a) trade and investment liberalization; (b) trade and investment facilitation; and (c) economic and technical cooperation.

In the context of economic and technical cooperation, a mid/long-term perspective is necessary on human resources development, guided by the principle and recognition that the people in the region are its most important resource. With the dynamism of the region reflected in changing human resources needs, continued priority attention should be devoted to developing human resources. Given the principles enunciated in the Human Resources Development Framework, it is also imperative that an Action Program for APEC HRD be formulated in order to establish policy concepts and provide directions in the pursuit of concrete activities and projects.

In the formulation of the stated Action Program, the HRD Working Group and the other APEC fora shall be guided by the following:

i) The development of human resources contributes to the attainment of economic growth and development. This underscores the importance of designing regional approaches to human resources development within the framework and the priorities set out by the Declaration on the Human Resources Framework for APEC.

ii) Sustainable development depends upon the successful implementation of policies that integrate economic, environmental, and social objectives. As such, it is important to integrate environmental objectives into education and training programs to enhance environmental consciousness on the part of all citizens. Environmental education among children and youth should be an element in APEC HRD cooperative work towards sustainable development.

iii) The accelerating globalization of industry creates a prime opportunity to encourage the establishment and growth of domestic industry and to nurture a highly efficient and productive industrial structure. In recognizing this, the APEC Ministers, during the meeting in Jakarta, Indonesia, in November 1994, agreed that Small and Medium Enterprises (SMEs) policy dialogue on human resources development, information access, technology sharing, the availability of finance, and market access, should be further enhanced.

The Action Program for APEC Human Resources Development shall have the following components and features:

i) common policy concepts;

ii) a joint activities framework for HRD;

iii) joint activities for HRD: human resources development program 21;

iv) HRD activities in other APEC committees and working groups;

v) dialogue on member economies' policies/activities; and

vi) time frame.

2 COMMON POLICY CONCEPTS

The common policy concepts shall essentially consist of the goals, basic principles, and priorities defined by the Declaration on the Human Resources Development Framework. These concepts are shared and acknowledged by the APEC member economies as the basis for the development and implementation of HRD programs within the region.
a. Goals

As stated in the Declaration on Human Resources Development Framework and the 1995 HRD work plan, the goal of human resources development in APEC is to promote the well-being of all people in the region through economic growth and development. Furthermore, HRD has an important role to play in achieving the liberalization and facilitation of trade and investment which was emphasized in the Bogor Declaration. This development of human resources will be achieved by planning, developing, and implementing practical and appropriate education and training for present and future managers, entrepreneurs, and workers in the public and private sectors and even non-workers contributing to the economic growth, trade and development of the region. Well-educated and well-trained individuals may contribute to future economic growth and development through their roles as parents and community figures as well as through current or future employment.

b. Basic Principles

APEC HRD will be based on the following principles, as stated in the Declaration on Human Resources Development Framework and the HRD’s annual work plans:

i) The people of the Asia Pacific are the most important resource in economic growth and development, one of whose goals is to enhance the quality of life and well-being of the people in the region.

ii) The development and protection of human resources contribute to the attainment of such fundamental values as the alleviation of poverty, full employment, universal access to primary, secondary, and vocational education and the full participation of all groups in the process of economic growth and development.

iii) Human resources development requires cooperative action by public, and business/private sectors, educational and training institutions.

iv) In designing regional approaches to human resources development, attention must be given to the diversity of experiences and situations in the region.

c. Priorities

The formulation of the Action Program for APEC HRD shall be guided by the priorities enunciated in the Declaration on Human Resources Development Framework and a priority area on trade and investment facilitation and liberalization. These priorities, which call for joint activities, are as follows:

i) Provision of a quality basic education for all.

ii) Analysis of the regional labour market to allow sound forecasting of trends and needs in human resources development.

iii) Increasing the supply and enhancing the quality of managers, entrepreneurs, and educators/trainers in areas of the economy central to fostering economic growth and development. Such areas include training in small- and medium-sized enterprises in entrepreneurship and in the management of sustainable growth incorporating economic and environmental consideration.

iv) Reducing skills deficiencies and unemployment by designing industrial and other training programs for applications at all stages of a person’s working life.

v) Increasing the quality of curricula, teaching methods and instructional materials relating to the education and training of managers and other workers.

vi) Increasing the opportunities throughout the region for people who seek to gain skills required for the economic growth and development of member economies and the region as a whole.

vii) Preparing organizations and individuals to remain productive in the face of rapid economic and technological changes in member economies, the Asia-Pacific region and the global economy.

viii) Cooperation in education and training among member economies will promote human resources development toward the liberalization and facilitation of trade and investment in the region. Increased international mobility of qualified persons for HRD activities will also enhance economic growth.
3  JOINT ACTIVITIES FRAMEWORK FOR HRD

The eight priorities earlier indicated basically define the basic mission of APEC for human resources development. It shall be incumbent upon the HRDWG therefore, to translate these mandates into attainable plans for HRD, increasing opportunities for joint activities among member economies to maximize the benefits of human resources development in the region. These priorities, ultimately, when translated into concrete action, shall put into motion the goals and objectives of promoting the well-being of individuals within the region, not only as the means to achieve economic growth and development, but the end itself.

Bearing this major objective in mind, the joint activities shall be developed on the basis of the following framework:

i) Joint activities to be developed shall directly respond to one or more of the priority areas earlier defined in this paper.

ii) Within each priority area are specific activities to be undertaken in the short-, medium-, and long-term to achieve APEC’s HRD goals.

iii) Performance indicators shall be established for each priority area and each joint activity to identify specific milestone points and to provide a basis for the assessment of the progress of activities through a set of pre-defined measurement targets and indicators.

iv) Joint activities shall be monitored and evaluated against the measurement targets or performance indicators to enable the collection of information that will serve as basis for future planning and policy formulation activities within the APEC HRDWG and other APEC fora.

v) A system for the continuous review and assessment of the progress of the joint activities shall be an integral part of program management to allow for modifications in the project approaches and, if necessary, to the action program itself.

vi) A system for reporting and feedback by and among the member economies shall be established to promote complementation in the HRD activities of various member economies.

The HRDWG will examine proposals on such joint activities and, where appropriate, approve them as APEC HRD cooperative projects. The progress and outcome of these projects will be reported to HRDWG meetings. The HRDWG will also prioritize the projects requiring funding from the APEC Central Fund and send them to SOM via BMC for approval.

The other APEC fora shall also undertake human resources development activities in the field for which they are responsible in order to maximize the potentials of economic growth and development in the region toward the promotion of the well-being of its people in the region.

In pursuing HRD efforts, due attention will be given to optimize integration of gender and youth into APEC activities.

In responding to the Beijing Initiative which calls for involvement of the stakeholders in human capacity building efforts, APEC economies will explore mutually beneficial cooperation between the government, business/private and education/training sectors.

4  JOINT ACTIVITIES: HUMAN RESOURCES DEVELOPMENT PROGRAM 21

On the basis of the framework agreed upon, the HRDWG shall examine proposals on joint projects, taking into account this framework and the eight priority areas identified earlier. It shall likewise coordinate with other APEC fora to promote cross-forum cooperation in the conduct of HRD-related activities.

For its Action Program, the HRDWG has identified 21 program areas consisting of 14 sub-programs of the HRDWG addressing the themes developed under the eight priority areas, and an additional 7 sub-
programs developed as Leaders’ and Ministers’ initiatives. Specific projects/activities and their corresponding performance indicators have been established by the HRDWG to guide the course of its activities in the mid- to long-term. The 21 programs of the HRD are as follows:

I. Programs on the Basis of the Eight Priorities

a. Providing High Quality Instruction in Key Subjects (Related to Priority 1)

The development of human resources is highly dependent on high-quality curriculum, effective instructional methods, and use of new and innovative technologies, both for formal and informal education. In particular, enhancing the capacity of teachers to deliver high-quality instruction and ensuring that students have access to high-quality instructional materials are essential to an effective system of education and training. For this purpose, member economies may identify subject areas that they consider particularly critical to economic growth and development. Member economies may gain significant insights toward the improvement of instructional methods through information sharing. Specific activities which the HRDWG has completed include integrating training in use of information and communication technologies into teaching training, methods for formulating standards for vocational teachers, case studies of promising models or practices for teacher induction, teacher development, and teaching/work environments. Comparative study of primary and secondary science education programs in APEC members toward the identification of effective policies and practices to improve science education and an assessment of levels of utilization of computer network systems among students, teachers, and administrators served promote innovative uses of technology in education.

b. Analysis of Labor Market Issues (Related to Priority 2)

Understanding and anticipating the trends and needs in human resources development is vital for all aspects of economic growth. This requires the analysis of regional labor market to allow sound forecasting and policy formulation by member economies. Toward this end, the HRDWG, will undertake researches, conferences, and symposia to facilitate information exchange and data gathering and assessment. Projects to be undertaken in the short-term include the conduct of researches to determine extent of linkages between labor market and education and the role and status of women in social and economic development; and the conduct of symposia on Public-Private Sector Collaboration in HRD and on capacity building in HRD of key basic industries in the region. In the medium-term, it shall establish a HRD data base in collaboration with PECC.

c. Management and Strengthening of Small and Medium Enterprises (Related to Priority 3)

In order to maximize growth opportunities and enhance the competitiveness of APEC member economies, the HRDWG shall pursue projects that would promote the quality of management and entrepreneurial skills in human resources. Projects to be undertaken under this sub-program include the conduct of ‘Training Programs and Surveys to Enhance Productivity Among SMEs’, short-term programs that will proceed to the medium-term. Other projects include the promotion and conduct of on-the-job training programs from the mid- to long-term.

d. Management and Promotion of Sustainable Development (Related to Priority 3)

To sustain benefits that are to be derived from increased productivity resulting from human resources development, emphasis will likewise be placed on strengthening the management, education, and training systems of member economies for increased environmental awareness and for the effective management of environmental issues within organizations. A significant project to promote this theme would be to produce, in the long term, certification systems for environment managers with emphasis on pollution prevention. Projects to be undertaken in the short-term include the conduct of an APEC-wide study on the
e. Executive Education and Development (Related to Priorities 3 and 7)

The development of human resources within the region will have to be undertaken at all levels within organizations. The needs of executives and managers should be equally addressed in the light of the emerging trends and realities in the region. The education and development of management personnel to a level where they can accurately gauge the rapidly changing Asia-Pacific economic and technical environment and respond to these changes is critical to the region's sustained development and growth. Training courses for Economic Development Zone senior managers were also been undertaken which will culminate with a symposium. The conduct of Get-togethers on HRD beginning in 1996 by Entrepreneurs to promote information exchange and to increase manager exchange programs in the long-term; conduct of research on modalities of university-industry cooperation in the region; and research on technology management and HRD support in the APEC region shall be undertaken in the short-term. The development of training materials for management development through research into trends in executive development programs shall also be pursued from the short- to medium-term.

f. Supporting the Development of Useful Labor Market Information and Policy, Workplace Condition and Social Safety Net (Related to Priority 2, 3, 4 and 7)

Support strong and flexible labor markets through policy research, collaboration, technical cooperation and the provision of labor market, enterprise-based training, and employment policies including labor market adjustment measures to assist workers affected by globalization and the development of professional and technical personnel; support the development of improved workplace conditions and practices including such measures as enhancing productivity, the adoption of new technologies, better labor-management relations, and improved safety and health; work on the strengthening of social safety nets in areas such as income support programs, measures to enhance employability, empower individuals, and mitigate dependence.

g. Industrial Technology Education (Related to Priorities 3, 4, and 5)

Improving the quality of curricula, teaching methods, and instructional materials relating to industrial technology education is increasingly necessary to optimize the development of human resources who can adequately respond to changing business market opportunities in the emerging borderless Asia-Pacific economic community. Critical elements of this program include the conduct of cooperation efforts geared to encouraging exchange of information on training and skills development policies, strategies, and programs among member economies. Specific projects/activities under this program include establishment of a network of research collaborators toward the identification of best practice approaches in the field of information technology education; and development of "Technology Management Training Program for SMEs".

h. Lifelong Learning (Related to Priority 4)

Improving labor productivity and flexibility is central to sustainable and equitable economic growth in the APEC region. As such, human resource development initiatives and strategies should cater to the emerging needs of the region's manpower in order that they may be equipped to equally address emerging roles and skills requirements in the region. This program emphasizes the significance of creating new approaches and HRD programs for application in all stages of a person's working life. To provide a solid foundation for various initiatives under this program, the HRDWG has published regional and general papers on lifelong learning programs and intends to develop a database on individuals and agencies developing lifelong learning activities. A conference on 'Lifelong Learning Approaches and Initiatives' was held in 1997.
i. Developing Ways To Monitor Performance of Education Systems (Related to Priority 1)

In order to determine whether education systems are able to achieve their goals of instilling knowledge, skills, attitudes, and behaviors in students, as well as prepare students for the world of work, further learning, and good citizenship, it is necessary to put in place a strategy to acquire quality data, measure performance, and a system for analysis and reporting. This is important in determining how much of the goals are met vis-a-vis the actual performance of education systems. Cooperative work among member economies under this program should help member economies design methods to develop data and monitor their own system's performance. As such, projects under this program include the collection and publication of an APEC educational indicators database in 2002. Conferences have been undertaken to promote information sharing on ‘state-of-the-art’ performance measurement approaches and reporting systems: a framework conference conducted in October 1995, a conference on school-based indicators in 1996 and a conference on student assessment in October 2000. In January 1999, as part of a conference on education management reform, methods of performance assessment currently being utilized were a key aspect of the discussion. The continuous exchange of information is expected to result in the establishment of higher performing systems in the region.

j. Facilitating Mobility of Persons and Information Exchange For HRD and Economic Growth (Related to Priorities 6 and 8)

Enhancement of the capacity and opportunities for the movement among member economies of people who have skills relevant for economic growth is a necessary element in achieving trade and investment liberalization and facilitation in the region. Thus, consistent with the goals of APEC, its HRD activities must facilitate the movement and interaction of qualified persons. To further promote HRD in the region as a means to achieve economic goals, projects to be undertaken in the short-term included the sharing of information on best practice and training in systems of accreditation, curriculum development and certification, with engineering as pilot; and conduct of an experts meeting to discuss new exchanges in higher education for the 21st century. In the medium-term, the publication of member economy profiles in booklet and video forms, for distribution among schools in at least half of the members to facilitate student project work; and the establishment of a communication network among education and human resource policy makers to promote information sharing has been pursued. The establishment of APEC Study Centers at institutions of higher education and research centers throughout the region has been undertaken on a continuing basis. The conduct of increased levels of exchanges of students, staff, and researchers through the University Mobility in the Asia Pacific (UMAP) and increased exchanges of education officials through EDNET cooperation are also underway and continuing. A series of bilateral agreements for the mutual recognition of professional qualifications between professional bodies or governments are being pursued in the long-term. The establishment of additional bilateral agreements promoted a continuing program for the exchange of education officials in the region in 2000.

Significantly, facilitating the mobility of qualified persons and information exchange for HRD is also being pursued in line with the more general goal of promoting economic growth within the region. This goal emanates from the recognition that the intra-regional movement of qualified and experienced human resources within the region will contribute to the economic development of the Asia-Pacific region. Toward this end, member economies shall share best practices and undertake training programs in the system of accreditation, curriculum development, and certification of professions in the short-term. Mutual recognition of qualification is endeavoured to be realized in the long-term through a series of bilateral agreements between professional bodies and governments in the region.
k. Management for Organizational Change (Related to Priority 7)

This program shall be pursued to assist organizations in managing the change process resulting from technological changes and the dynamism of processes in the region. The changes in the economic and technical environment embracing the public and private sector calls for certain levels of restructuring within organizations and corresponding initiatives to enable human resources in organizations to effectively manage the restructuring processes as well as pursue better relations within the workplace. A report on ‘Managing Corporate Change Within APEC Economies’ was published in September 1995 and a seminar relating to Labour-Management-Government relations in the workplace was held in June 2001.

l. Liberalization and Facilitation Of Trade In Services (Related to Priority 8)

The emerging realities in the region provide the impetus for cooperative arrangements among member economies in ensuring the availability of a workforce that would respond to the needs and requirements of the region. Consistent with the vision of a community of nations bonded by a deepening spirit of openness and partnership, the member economies have endeavoured to liberalize and facilitate the exchange of technological know-how and qualified persons to address the skills requirements in the region. Toward this end, member economies will promote cross-member investment in education and training through principles to be established and implemented in bilateral and other agreements in the mid- to long-term. The HRDWG will also undertake an analysis of various researches conducted in the field of cross-cultural management of trade dispute resolution toward the development of course material in the short-term to promote appreciation of this approach in trade dispute resolution among member economies.

m. Standards and Conformance (Related to Priority 8)

Standards and conformance are an important area in regional trade and investment liberalization and facilitation. As such, it is vital to ensure the quality and availability of skilled and trained human resources that can establish and implement effective standards and conformance systems in the region. In line with this, the HRDWG shall undertake in the short-term a study on HRD requirements to promote quality assurance system and implement workshops in the medium-term to discuss expert exchanges and harness opportunities for training in the field of standards and conformance.

n. Intellectual Property Rights (Related to Priority 8)

Intellectual Property Rights (IPR) have assumed a critical level of importance in the light of the more liberalized flow of goods and services within the global and regional community. Given this, the availability of highly trained human resources to implement systems relating to intellectual property rights will have to be ensured among the member economies. The HRDWG, toward this end, will conduct activities to raise consciousness on IPR systems and their implementation. Part of this undertaking has involved the determination of further needs for training of member economies on the development of IPR and the development and conduct of IPR courses in member economies.

II. Programs Related to Leaders’ and Ministers’ Initiatives

The following Leaders’ and Ministers’ initiatives respond to specific priorities identified earlier and are linked to the fourteen sub-programs of the HRDWG that address the themes of the eight priority areas:

a. APEC Leaders’ Education Initiative

Proposed by the USA, the APEC Leaders Education Initiative (ALEI) will be an investment in the education of future generations to develop regional cooperation in higher education, study key regional economic issues, improve workers’ skills, facilitate cultural and intellectual exchanges, foster understanding on the
diversity of this region, and to harness other regional cooperative undertakings in the aspect of education and human resource development.

The establishment of APEC Study Centers is an important component of ALEI. These centers have been established in all member economies to promote collaborative research on APEC related issues. ALEI also includes the implementation of an APEC scholars program to promote the exchange of students and teachers.

b. APEC Business Volunteer Program

Proposed by Thailand, the APEC Business Volunteers Program aims to promote HRD to create business, legal, and other environments favorable to trade and investment by mutual expert dispatch among private sector entities in the APEC region. This initiative also aims to further economic development in the region through the exchange and transfer of managerial and technical skills by exchange of business volunteers.

A significant feature of this program includes the establishment of focal points in each member economy that identifies the needs and expertise available in each member economy for compilation into a roster of available expertise to be used in the networking activities among the member focal points. To facilitate and systematically carry out continuous information exchange and strengthen communication lines among the various focal points, an APEC BVP Coordinating Office in Bangkok, Thailand, was established. This office has also served as an information center with access to updated rosters of experts in member economies and has received applications for expert dispatch for referral to appropriate expert dispatch agencies in member economies.

c. APEC Ministerial Meeting on Human Resources Development

Responding to the APEC challenges, Ministerial Meetings on Human Resources Development have been held since 1996 and biennially since 1997 to maintain the momentum of ongoing HRD efforts and to chart the direction of future HRD work in APEC.

d. APEC Center for Technology Exchange and Training for SMEs (ACTETSME)

The project is a result of the APEC Leaders pledge in Blake Island, USA, during which the Philippine Government put forward the initiative to operationalize a center that will collectively harness the resources of APEC member economies to support sustainable development and growth of SMEs in the region. The Center performs the role of a resource center with distinct capabilities in information networking, mobilization of training opportunities for technical know-how absorption and upgrading, and organizing specialized activities to reach out to SMEs for syndicating technology transfer projects in the spirit of intra-regional cooperation and business internationalization.

e. SME Ministerial Meeting

The APEC HRDWG has adopted ‘SMEs’ as a key theme in its workplan. This complements the recognition that SMEs are increasingly important in terms of heightening economic complementarities and development in the region. Toward this end, APEC HRD afforded more emphasis on activities that support the growth and development of SMEs, which in turn, has supported the overall APEC goal of further economic growth in the region.
f. Sustainable Development Ministers’ Meeting

The Ministerial Meeting on Sustainable Development was held in 1997. Taking the cue from Senior Officials who review APEC activities in sustainable development regularly in consultation with Chairs and Lead Shepherds of all APEC fora, the HRDWG discusses pertinent issues relating to sustainable development as part of its regular agenda at its meetings.

g. APEC Education Foundation

Proposed by the USA and welcomed by the Ministers in Jakarta, Indonesia, the APEC Education Foundation (AEF) was established in 1995 as an expansion of the Leaders’ Education Initiative to advance the cause of education and human resources development in the region. Following the proposal by Korea, the Foundation’s Grants and Programs Secretariat was opened in Seoul, Korea, in 1997 and the Administrative Office later in Monterey, USA. In Vancouver, Canada, APEC Leaders acknowledged the development and progress of the Foundation in the APEC Economic Leaders’ Declaration. With financial contributions from the Korean Government and the private sector in the USA, the AEF has supported the endeavors of APEC member economies to enhance collective learning and exchange information. In 2000, the AEF reorganized and consolidated the Secretariat, now integrated in Seoul, to ensure efficiency and transparency. In Brunei, Ministers welcomed ‘the efforts to revitalize the APEC Education Foundation and urged economies to participate actively in the Foundation.’

As a grant-making organization intended to channel investments into the development of human resources in the region, the AEF will continue to promote educational cooperation, research and scholarship, and community building through a concerted approach among the public and private sectors and educational and training institutions. In collaboration with various partners of APEC, the AEF will also seek ways to contribute to human capacity building within APEC in its priority areas. In order to build a solid basis to advance its objectives, efforts will be accelerated to establish a financial resource base and enhance public outreach.

5 HRD ACTIVITIES IN OTHER APEC FORA

Considering the critical role of human resources in promoting growth and development potentials in the region, its continued development has been pursued in consonance with policy and program initiatives that has been developed and undertaken in the various APEC fora.

A regular agenda item at HRDWG meetings provides for discussion on HRD-related activities in other APEC fora. These include:

- **APEC Strategic Plan on Capacity Building** through programs on building capacity for implementation of WTO Agreements (Committee on Trade and Investment).
- ‘Transforming Digital Divide into Digital Opportunities’ (Economic Committee).
- ‘Training for Building Skill on Marketing Strategy’ (Trade Promotion WG).
- ‘APEC Marine Environmental Training and Education Program’ (Marine Resources Conservation WG).
- ‘Distance Learning Strategic Needs Analysis Project’ (Telecommunications and Information WG).
6 DIALOGUE ON MEMBER ECONOMIES' POLICIES/ACTIVITIES

a. Policy Dialogue

Members will implement regularly policy dialogues at the HRDG to promote better understanding and appreciation of policy concepts described above and to facilitate HRD joint activities among member economies. Such dialogues shall include discussions and sharing of experiences and insights among APEC member economies on progress achieved in the field of human resources development, and consultation on each member’s policies in the light of common policy concepts.

APEC members will review the outcome of joint activities and the status of HRD in each economy on the basis of performance indicators to be established by the HRDG.

b. Dialogue Themes

APEC economies will conduct the necessary dialogue on appropriate themes from the entire range of HRD issues. These will include:

i) Exchange of Information on Key Policy Developments
Policy developments occurring in the field of human resources development in the member economies shall be shared to promote cooperative undertakings in training and education. It is envisioned that through a direct and deliberate pattern of information exchange, the member economies will be able to enhance cooperation and harness opportunities for the formulation of complementary policies and standards in the region. It is also through improved channels of information exchange that the distinct character of political, economic, and social realities prevailing in the member economies can be appreciated for closer cooperation in the pursuit of HRD programs within the APEC.

ii) Promotion of Professional HRD Practices and Standards
Efforts to promote professional HRD practices and standards shall be pursued by the HRDG. This will be done through sharing of information on current HRD practices and curriculum development systems of various member economies.

As a parallel strategy, systems will be provided and harmonized whenever possible, for the promotion of personnel exchanges.

7 TIME FRAME

a. Yearly

Formulation of an annual work plan to implement the Action Program.

b. Regular

Action Program shall be reviewed regularly and amended whenever necessary to improve performance.
ACTION PROGRAM FOR INDUSTRIAL SCIENCE AND TECHNOLOGY

1 INTRODUCTION

The Asia-Pacific region now accounts for 50% of the world's GNP and 40% of international trade and continues to display strong economic growth. The region also has great potential in terms of both economic supply and demand.

In order to secure sustainable economic growth, it is vital not only to facilitate increased investment in the region but to promote widespread access to and knowledge about industrial science and technology (IST).

2 COMMON POLICY CONCEPTS

The common policy concepts shall essentially consist of the goals, basic principles, and priorities defined by the APEC Agenda for S&T Industry Cooperation into the 21st Century, which was finalized following the 1998 meeting of APEC S&T Ministers in Mexico City, Mexico. These concepts are shared and acknowledged by the APEC member economies as the basis for the development and implementation of IST programs within the region.

a. Vision

Our vision for the 21st century is of a dynamic and prosperous Asia-Pacific region built on the development and application of industrial science and technology which improves quality of life while safeguarding the natural environment.

b. Goals

By the year 2020 industrial science and technology policies and programs in the APEC region should achieve:

i) enhanced economic growth, trade and investment opportunities;
ii) better quality of life and a clean environment;
iii) a well-balanced industrial structure which builds on the diversity of the region;
iv) improved levels of scientific knowledge promoting economic activities, particularly business/private sector growth, as well as technological sophistication in the region;
v) the smooth flow and application of information, technology and expertise;
vi) consistent and transparent policy measures in key areas such as industrial standards;
vii) enhanced links between government agencies, the private/business sector (including SMEs) and academic institutions engaged in collaborative industrial science and technological research and development; and
viii) efficient and effective support for industrial science and technology cooperation projects and programs.

c. Non-binding Principles for effective IST collaboration

Recognizing the diversity in size, economic development and technological capacity of member economies, international collaboration in industrial science and technology should proceed on the following basis:

i) joint activities and dialogue should support the vision and goals of the Action Program;
ii) there should be opportunities for all parties to join in regional multilateral research collaboration programs;
iii) contributions to and benefits from collaboration should be equitable, balanced and geared to members’ capabilities;
iv) projects should encourage complementary and collaborative public and business/private sector investments in the development and diffusion of technologies;
v) collaborative activities should ensure, whenever possible, the active participation of SMEs;
vi) collaborative activities could be implemented throughout the full innovation cycle from basic research to pre-competitive industrial R&D;
vii) a consistent and transparent approach should be adopted to standards and standard setting activities, in order to facilitate technological flows; and
viii) collaborative activities should ensure that any intellectual property rights are protected and that the results and commercial benefits are allocated fairly.

d. Priorities

The ISTWG will work on the following priorities with joint activities and dialogue identified in Sections 3 and 4 below, keeping in mind gender-related issues, to realize the Common Policy Concept of the Action Program. The Working Group will keep these activities under review in the light of experience and develop new or revised activities consistent with the vision, goals and principles of the Action Program.

The following key priorities have been drawn from the Common Policy Concept:

I. Improved Flows of Technological Information and Technology

The flow of technological information and technology is critical for sowing the seeds of economic growth and technological innovation. This can include the trade and investment in technologies, with assurances of adequate protection of intellectual property and equitable allocation of results and commercial benefits. It is particularly important to ensure that technological information and technology flows provide direct and tangible benefits to all sectors, especially SMEs.

II. Improved Researcher Exchange and HRD in IST

Technological and industrial innovation will not occur at the regional, member economy or firm level if researcher exchange and the full human capacity of the workforce, management and research sectors is not geared to the needs of a changing industrial and economic context.

Specific strategies will focus on the expansion of researcher exchange, with due regard to skill development, and to education and training needs in industrial science and technology, complementing and supporting the work of the APEC HRD Working Group.

III. Facilitation of Joint Research Projects

The increased costs and complexity of science and technology require new approaches in the region. The ISTWG will establish new mechanisms and processes for joint research on issues of concern. A number of existing collaboration programs provide potential models and new initiatives are being developed in discussions between member economies.

IV. Improved Transparency of Regulatory Frameworks

Member economies have identified the need for clarity and transparency in the regulatory framework affecting flows of technology and expertise. Reforms in this area are critical to ensuring innovation in the region. Work in this area will be linked to the work carried out by other APEC fora.
V. Contribution to Sustainable Development

The ISTWG, in keeping with its vision statement, is concerned to ensure that the development and deployment of industrial science and technology contributes to sustainable development. Workshops and symposiums will be helpful for sharing the information and current technologies necessary to ensure that the business/private sector in the region can introduce new technologies that not only prevent environmental degradation but also contribute to a better lifestyle for all people in the region.

VI. Enhanced Policy Dialogue and Review

There are major benefits to be gained by sharing information on the efficiency and effectiveness of alternative policy and program approaches. Actions will be implemented to facilitate a regular exchange of views, and member economies are encouraged to develop policies by sharing knowledge and experience in these areas.

3 JOINT ACTIVITIES

I. Strengthen APEC Cooperation in Key Technologies

The rapid introduction of new generations of technology, the increasing complexity of these technologies, and the demand for speed-to-market introduce challenges to both the private sector and the research community in all APEC economies. The ISTWG recognizes that to meet these challenges, APEC economies must strengthen their cooperation in the development of key technologies. The ISTWG would achieve this goal through collaborative R&D initiatives, technology road mapping, technology foresight, the sharing of technological information and technology, and improvements in the clarity and transparency of regulatory frameworks affecting flows of technology and expertise. Initiatives would include APEC Technomart, with its focus on SMEs; continued support for the APEC Centre for Technology Foresight; specific projects and initiatives and projects to support the development and use of key technologies such as advanced materials, nanotechnologies, industrial biotechnology (in agreement with ATCWG on agricultural biotechnology applications), environmental technologies, information and communication technologies.

II. Connect Research and Innovation in APEC Economies

The need to strengthen connections within and across APEC economies between scientific research, the development of key technologies, and their application through innovation in the marketplace is critical to economic growth in the APEC region. The ISTWG will pursue this goal by strengthening collaboration between government, industry (especially SMEs), and the research community through development of technology diffusion initiatives which facilitate the transition from emerging technologies to their application for new industries and other socioeconomic objectives. Information flows on science and technology among member economies will be achieved through the expanded use of ASTWeb, specialized side meetings designed to bring the developers and users of S&T together, and events such as Technomart.

III. Build Human Capacity for S&T for the New Economy

In the ‘New Economy’, knowledge is key. Recognizing that knowledge is embodied in people, the ISTWG will work towards the continuous development of the engineers, scientists, technicians and technologies needed for APEC member economies to secure economic growth in the New Economy. Initiatives will include S&T awareness in secondary schools (APEC Youth Science Festivals); training/skills development initiatives in critical areas of industrial S&T, environment and health; gender awareness and integration; researcher exchanges/cooperation; fostering partnerships between educational institutions and industry; and adoption of distance learning technologies.
IV. Help Ensure the Prevention and Control of Infectious Diseases

The ISTWG recognizes the need to address health challenges to improved quality of life, economic growth, and trade across the APEC region, and the importance of S&T in responding to health challenges. Priority will be given to collaborative activities designed to respond to the economic and human challenges posed by select target diseases in the region such as HIV/AIDS, tuberculosis, influenza, dengue hemorrhagic fever, hepatitis and a number of zoonotic and enteric diseases. Emphasis will be given to the optimal use of electronic communication technologies and to the strengthening of existing regional training mechanisms, notably in laboratory technologies and field epidemiology. Close attention will be paid to existing global and regional intergovernmental disease control activities in order to ensure that APEC actions in that regard add value and synergy to activities currently under way. Analytic capacity of the economic impact of APEC cooperation in infectious disease prevention and control will be strengthened. ISTWG activities will draw upon the APEC Emerging Infectious Diseases (EID) Action Plan developed in 1996-97 which identified five key areas for cooperation: systems development, surveillance, outbreak response, prevention and control, and research.

Addressing the Challenges of Environment and Sustainable Development through Science, Technology and Innovation

Environmental challenges of the APEC region will be addressed through science, technology and innovation within a framework of sustainable industrial development. Initiatives will include cleaner production, environmental sustainability, natural disaster mitigation, climate change, resource productivity and conservation of biodiversity (except for conservation of plant and animal genetic resources in agriculture mentioned in the action program for agricultural technical cooperation).

Steps will be taken to implement the recommendations of the Cleaner Production Task Force. In particular, ISTWG will leverage the multiple new Cleaner Production promoting organizations that APEC helped to stimulate or reinforce and continue to implement the goals of the APEC Cleaner Production Strategy through dialogue and projects. ISTWG will also explore the possibility of ISTWG delegates carrying the cleaner production message and lessons learned to other multilateral organizations (e.g., UNEP/UNIDO, APRCP1) by actively participating in events as APEC representatives.

ISTWG will continue to encourage projects and share best-practices related to mitigation technologies for natural disasters (particularly earthquake, volcanic activity and weather-related phenomena).

Innovation initiatives will focus primarily on appropriate technology, methods and tools to enable SMEs to adopt cleaner production practices. This will include cleaner supply chain management and incorporate appropriate application of advances in information technologies for design, communications, training and skills development. In this context, adoption of appropriate waste management methods will continue to be a priority with an emphasis on assisting APEC economies to improve water quality and urban air quality within a supportive legislative framework.

4 DIALOGUE ON MEMBER ECONOMIES’ POLICIES/ACTIVITIES

ISTWG member economies will exchange views and share knowledge and experience on Industrial Science and Technology-related issues, including their own IST policies and infrastructure, in order to advance the priorities of the ISTWG and its member economies.

The ISTWG will strengthen the dialogue on the industrial S&T policies of member economies in two specific ways. Firstly, the ISTWG will continue to include a policy dialogue on the S&T policies of member economies.

---

1 United Nations Environmental Program (UNEP), United Nations Industrial Development Organization (UNIDO), Asia Pacific Roundtable on Cleaner Production (APRCP)
economies as a standard part of ISTWG plenary meetings. Secondly, the ISTWG will explore the organization of an annual APEC S&T Policy Forum which would bring together government, universities, and the private sector to discuss best practices and policy approaches to the S&T and innovation challenges facing the APEC region.

The ISTWG will continue to develop and strengthen indicators and statistics on the infrastructure, resources, and investments of member economies in IST and by industry sector which will assist the planning and implementation of cooperative activities.

The ISTWG will exchange information on the scientific and technological underpinnings and requirements of standards and regulations in order to promote and implement common standards across member economies in such areas as cleaner production, diseases surveillance, and environmental management. Collaboration and information sharing will be undertaken, as necessary, with the CTI Sub-Committee on Standards and Conformance, especially in regards to industrial standards systems and measurement laws.
ACTION PROGRAM FOR MARINE RESOURCE CONSERVATION

1 INTRODUCTION

The use of the marine environment is essential to the economic viability of the economies in the Asia-Pacific Region. Fisheries and aquaculture products are major trade commodities, tourism is increasing and demands a clean and attractive environment, and the diversity of marine organisms has significant potential for new fisheries sustainable development and other economic benefits.

Marine environmental degradation has significant socio-economic costs in terms of risks to human health, impacts on fisheries resources and aquaculture development, effects on resource management and regulatory activities. As populations grow and problems intensify, a highly trained workforce will be needed to ensure marine resource conservation and sustainable development.

Rehabilitation of the marine environment will enhance trade opportunities, and marine environmental quality and resource conservation are important areas for business involvement and technology development throughout the region.

2 COMMON POLICY CONCEPTS

a. Goals
   i) To seek reconciliation of economic growth with improved environmental outcomes, so as to achieve sustainable development.
   ii) To enhance trade and investment in marine products while protecting the marine environment and its resources.
   iii) To ensure continuing socio-economic benefits through maintenance of marine environmental quality.
   iv) To overcome structural barriers in order to conserve marine bio-diversity and the integrity of ocean ecosystems.

b. Strategies
   i) Development of marine resource conservation infrastructure.
   ii) Transfer of technology through capacity building, training and education.
   iii) Good technological solutions.
   iv) Informed planning through co-management.
   v) Policy and legal approaches.

c. Major issues and key initiatives
   i) Integrated ocean and coastal zone management.
   ii) Regional implementation of UNCED Agenda 21 (Oceans Chapter and other related chapters) recommendations in the APEC Region.
   iii) Marine algae toxins (Red tides/harmful algae blooms).

3 JOINT ACTIVITIES

a. Directions for joint activities
   i) To demonstrate the value of integrating environmental and gender issues into economic decision-making.
   ii) To make policy recommendations on policies, standards, certification, regulatory requirements, conformance assurance and other areas which will set the framework to aid trade and investment liberalization and facilitation under conditions that will ensure that resulting development and
exploitation of resources is sustainable.
iii) To improve the flow of information on marine resource management and conservation to enhance APEC members’ access to developments across the region.
iv) To address both specific commodities and services in the marine resource sector that require action in order to facilitate trade and investment, and structural barriers in terms of environmental management deficiencies and transportation safety.
v) To set priorities, based on feasibility of attaining effective results, and potential impact on trade and investment.

b. Policies, standards and conformance for trade in marine commodities and services
i) The MRCWG will review specific marine products and service sectors, and develop policy recommendations designed to enhance investment and liberalize trade in these. These will include the marine bioproducts, tourism, ocean engineering, pollution abatement, submarine mineral and energy, and fisheries and aquaculture sectors. This will include recommending a common basis for standards and conformance assurance mechanisms, where appropriate, to ensure transparency and clarity in the regulatory framework, ensure that the development and exploitation of marine resources is carried out in a sustainable manner, provide economic benefits to coastal communities, and ensure public safety.
ii) The MRCWG will implement a program that will provide the basis for complementary policies, standards and procedures to ensure that fisheries products entering the trade market in the APEC Region are not contaminated with algal toxins (completion 2003).

c. Structural framework to ensure sustainable development of marine resources
i) APEC has an important role to play in developing policies, standards and conformance to safeguard the environment on which the conservation and sustainable exploitation of marine resources depends. These include areas such as management of land-based sources of pollution and critical ecosystems, energy and mineral exploration and production in the marine environment, marine transportation, and emergency response. It also provides a vehicle for economic and technical cooperation in marine environmental research, and the development of human resources associated with the application of engineering, technological and other specialized skills.
ii) The MRCWG, on a continuing basis, will identify opportunities to promote economic and technical cooperation among members in the marine resource conservation sector, in areas such as planning and economic assessment skills, vessel design and shipboard safety equipment, spill response technology and infrastructure, pollution abatement and treatment technology, waste disposal technology, biological resource assessment, oceanography and human risk assessment, to improve the overall effectiveness of expertise and technical capacity in APEC (continuing).

4 DIALOGUE ON MEMBER ECONOMIES’ POLICIES AND ACTIVITIES

In light of the diversity of the marine resource conservation issues, dialogues will be promoted to share scientific and technical information in such areas as human resource development in management, monitoring, analysis and research among the APEC members, to identify and assess serious environmental issues, and to develop practical, action-oriented approaches to maintaining marine environmental quality, through:

i) continuing activities of the Marine Resource Conservation Working Group;
ii) collaboration as appropriate with other APEC bodies such as the Energy, Fisheries, Tourism and Transportation Working Groups, to avoid duplication and create synergism of common interest;
iii) making use of existing multilateral and bilateral marine fora and developing collaboration with them if and as appropriate, to avoid duplication, to benefit from their experience, and to identify opportunities for complementary activities; and
iv) developing relevant links with the business/private sector, for example as related to the appropriate exploitation of marine resources for commercial or tourism purposes.
ACTION PROGRAM FOR SMALL AND MEDIUM ENTERPRISES

1 INTRODUCTION

The Small and Medium Enterprises (SME) Action Program contributes to the formulation of the APEC Action Agenda by creating a program that pursues APEC objectives of relevance to SMEs. In the context of the overall APEC philosophy of trade liberalisation, facilitation and economic cooperation, the SME Action Program seeks to foster the objectives, as stated in the Bogor Declaration, of free and open trade and investment in the Asia-Pacific region by no later than 2010 for industrialised economies and 2020 for developing economies, as well as economic and technical cooperation towards achieving sustainable growth in the region.

Role and Importance of SMEs

The Asia Pacific region is increasing its share of world trade – growing from 37% in 1983 to 44% in 1993. To a large extent, this reflects the rapid growth in intra-APEC trade. Between 1989 and 1993, the value of trade by APEC economies rose by about $US1 trillion, and almost 80 per cent of this increase was due to greater levels of trade between APEC members.

In order to secure sustainable economic growth, it is vital to promote the growth of a strong SME sector in the APEC region.

SMEs provide a critical engine of growth, vitality and innovation in the region. They have the ability to respond flexibly to technological innovation, and the diverse and demanding nature of consumer needs. These qualities make building a strong SME sector of central importance in maintaining Asia-Pacific dynamism into the 21st century. Contingent upon enhanced competitiveness and the development of the necessary human resources, SMEs are well positioned to take advantage of the continuing liberalisation of regional trade and investment, and become a driving force behind regional development.

The SME Action Program underlines the strong contribution of SMEs to economic activity within the APEC region, particularly relating to intra-regional trade and investment.

SMEs make up well over 90% of all enterprises in the region, contribute between 30-60% of GDP, and are a source of about 35% of the region's exports.

SMEs also play an important role in creating employment, covering between 32-84% of the employment in individual APEC economies, and are major contributors to employment growth.

While SMEs are important across the APEC region, there are differences in the role of SMEs in the various economies. The SME Action Program seeks to utilize the diversity among SMEs to attain complementarities that will bring about more efficient production and greater employment opportunities, and be of mutual benefit to member economies.

2 COMMON POLICY CONCEPTS

a. Goals

Members aim to maintain and develop SME dynamism by fostering a conducive environment in areas such as human resources development, information access, technology and technology sharing, financing, and market access, thus allowing SMEs to exploit their creativity and mobility to the greatest possible extent on the basis of market principles.
Our vision is of a dynamic and prosperous Asia-Pacific region built on:

i) an SME sector that is recognised by member economies, both individually and collectively, as a key driving force contributing to economic prosperity in the APEC region, and as central to the APEC Action Agenda;

ii) SMEs that are dynamic, innovative, flexible, strong employment and wealth creators, responsive to the demands of the international marketplace, globally focused, and interactive across regions, to the mutual understanding and benefit of all member economies;

iii) member economies that understand the opportunities and constraints facing SMEs in the regional economy; that work cooperatively to remove impediments to the development and growth of the sector, and share their knowledge and experience in regard to SME policies; and

iv) progress against milestones in the five priority areas (as identified in the SME Action Program) where SMEs face greatest difficulties, resulting in a sector that has the management skills, access to information, technology, capital, and access to markets it needs to promote wealth and employment creation shared amongst all member economies.

b. Basic Principles

SMEs are engaging dynamically in cross-border economic activity and playing an increasingly important role in heightening economic complementarities in the regional economy.

It is therefore important for member economies to develop a set of basic principles on desirable SME policies, including the following:

i) Members will take account of the different needs of APEC economies arising from differing levels of economic development.

ii) Activities undertaken as part of the SME Action Program will be transparent, cooperative and of mutual benefit to member economies.

iii) Members will work to ensure the availability and transparency of information on their respective SME policies to help improve the SME policies of other members.

iv) Members recognise the importance for policy development of listening to SMEs and understanding their needs, to ensure that policy remains responsive and relevant, and will involve the business/private sector in activities under the SME Action Program.

v) Members will develop and implement non-discriminatory market-oriented SME policies to maximise SMEs' responses to market mechanisms, and so provide the most favourable environment for SME development, growth and economic activity.

vi) Members recognise the importance of working with other APEC Working Groups and Committees, official APEC observers, and other international organisations, in the interests of SMEs in the region.

c. Priorities

Member economies recognise that SMEs have particular advantages, and face particular difficulties, in an increasingly free and open trading environment. At the first APEC SME Ministerial meeting, held in Osaka, Japan, in October 1994, it was agreed that APEC's role in support of SMEs should focus first on addressing the areas where SMEs face greatest difficulties.

The SME Action Program addresses the common difficulties faced by SMEs in all APEC economies in the five priority areas of:

i) Human Resources Development.
ii) Information Access.

iii) Technology and Technology Sharing.

iv) Financing.

v) Market Access.

3 JOINT ACTIVITIES

In order to address the issues identified within each of these priority areas, members have agreed to take cooperative action. The items for action have been prepared in the context of the recommendations of the Second Experts Meeting on SMEs and work being conducted by other APEC Working Groups and Committees. The action items serve as a tool to focus on the specific steps to meet identified milestones in each of the priority areas and so achieve the vision for SMEs. We recognize that policies should focus not only on individual enterprises but also on groups of enterprises and cooperatives.

I. Human Resources Development

Human resources development (HRD) is the basis for the development of all enterprises. As SMEs become more involved in a global economy, it will be increasingly important for them to learn about and adapt to different cultures and business practices. The fostering of entrepreneurial high-quality managers and technicians from the limited resources available is therefore a top-priority issue.

a. Policy Objectives/Milestones

Member economies will expand opportunities for the development of SME human resource capabilities (i.e., entrepreneurship, business and managerial skills, technical capabilities, technology sharing, linguistic skills, understanding of different cultures, and knowledge of business practices and legal requirements in different markets) in the region by developing SME relevant training projects, as well as supporting the training conducted by SMEs themselves. Member economies will ensure that both women and men benefit from the development of SME human resources capabilities.

By the year 2020, SMEs will be increasingly globalizes and internationally competitive as a result of improved human resource capabilities, particularly in the areas of managerial and technical skills and technology sharing.

b. Action Items

Member economies will take action in the area of HRD to enhance SME entrepreneurial, technical and managerial skills for both women and men. Action items agreed by member economies are:

i) To place greater emphasis on capacity building measures relating to HRD, including a special focus on reaching women with these measures.

ii) To inculcate the culture of entrepreneurship and business skills among the young women and men, and to work with the relevant APEC fora to integrate entrepreneurship and business skills into school curricula.

iii) To develop the cooperation programs in accordance with the steps that have been outlined in the 2001 evolving cooperation initiative for SME and new business support.

iv) To consider opening up the domestic training programs to member economies, on a voluntary basis, and to include a list of trainers that are available to conduct training across the APEC region.

v) To promote enhanced skills development for new entrepreneurs and expanding consumer confidence through consumer education activities tailor-made with interested APEC member economies under the 1999 Consumer Education and Protection Initiative.
II. Information Access

As information becomes an increasingly important global commodity, SMEs are finding that the success or failure of a project hinges on the collection, processing and utilization of relevant sex-disaggregated information.

a. Policy Objectives/Milestones

Member economies will promote the development of user-friendly and efficient information access systems that allow SMEs (whether owned by women or men) to gather the information they need on government policies, technology, the market, potential business partners. There are two broad issues to consider: the role of governments as information brokers facilitating access to information, and the development of and access to information technologies that are appropriate to the needs of women and men owned SMEs.

By the year 2020, SMEs will be increasingly globalizes and internationally competitive as a result of improved information flows, particularly in the areas of government policies, technology, the market, and potential business partners. They will exploit developments in information technology, and have timely and improved access to the information that they need — information that is accurate, user-friendly, and of high quality.

b. Action Items

Member economies will take action in the area of information access to promote the development of user-friendly and efficient information access systems, and the dissemination of accurate and timely information that will meet SMEs’ needs, especially in the area of Information and Communication Technology (ICT), including Electronic Commerce. Action items agreed by member economies are:

i) To place greater emphasis on the development of infrastructure concerning ICT.
ii) To take into account that future work program on the use of ICT and E-commerce be focused on definite sector of SMEs and to work with the relevant APEC fora in addressing this issue.
iii) To give priority to hasten the work on strengthening the regulatory and security measures for E-commerce.
iv) To consider contributing to the further development of the BizApec.com website.
v) To coordinate with relevant APEC Fora including the APEC TELWG and the Electronic Commerce Steering Group in expediting the on-going work on reducing the costs of access to the Internet.
vi) To implement the relevant recommendations arising from the ‘APEC 2000 SME Electronic Commerce Workshop’.

vii) To undertake the ‘2001 E-Commerce Symposium on SMEs’ initiative.
viii) To increase the supply of qualified small business counsellors by launching a ‘Training and Certification Program for Small Business Counsellors’ across the APEC Region.

III. Technology and Technology Sharing

For the mobility and entrepreneurship of SMEs to fuel more effectively the economic dynamism of the region, SMEs themselves need to actively participate in development and commercialization of new products and technologies that will boost productivity. However, many SMEs experience problems in this area because they lack managerial capability and information on available technologies, have a limited number of technicians, and little financial leeway.

a. Policy Objectives/Milestones

Member economies will foster the desire of SMEs to improve their own technological and managerial capabilities by:
i) improving technical training and technical guidance for SMEs;
ii) developing R&D in technology areas important to supporting and other industries;
iii) assisting the development efforts of SMEs;
iv) improving opportunities for SMEs to share in new technologies; and
v) improving technology management and business practices.

Moreover, in order to foster the region's SMEs, member economies will work together to share policy know-how, and ensure constructive and practical guidance in improving matchmaking capabilities among firms interested in acquiring and/or sharing technology. In addition to APEC policy dialogue and network creation, this involves the strengthening of bilateral policy dialogue and cooperative projects.

By the year 2020, SMEs will be increasingly globalizes and internationally competitive as a result of the adaptation of existing technologies and rapid take-up of new technologies, improved flows of technological information, and improved technical capabilities. The relationship between large companies and SMEs will be important in facilitating this development.

b. Action Items

Member economies will take action in the area of technology and technology sharing to foster the desire of SMEs to improve their own technological capabilities. Action items agreed by member economies are:

- To take steps to train more experts and managers in the areas of technology, management and international trade, take steps to ensure that women and men have equal access to and benefit from the training.
- APEC Center for Technology Exchange and Training: to further develop and implement the program and activities for the Center's operation and sustainability as a resource centre with capabilities in: information networking; the mobilization of training opportunities for the absorption and upgrading of technical know-how; and the organization of SME-targeted activities to syndicate technology transfer projects in the spirit of intra-regional cooperation and business internationalization.

IV. Financing

SMEs do not generally have as much access to finance as large enterprises, and have inadequate information on the various sources and mechanisms to secure finance for their development in some member economies. Furthermore, there are still legal barriers to women's access to financing and ownership of assets.

a. Policy Objectives/Milestones

Member economies will work to improve the financing environment for SMEs and reduce SME financing costs.

By the year 2020, SMEs will be increasingly globalizes and internationally competitive as a result of improved access, on reasonable terms, to debt and equity finance.

b. Action Items

Member economies will take action in the area of financing to improve the financing environment for SMEs and reduce SME financing costs. It is recognized that financing issues are critical concerns for all SMEs, micro enterprises, family and women-owned business. Action items agreed by member economies are:
i) To enhance the managerial skills and capacity building of SMEs to enable them gain better access to financial and capital markets.

ii) To establish an APEC database to disseminate sex disaggregated information on start-up companies and venture capital.

iii) To cooperate with APEC fora including the Investment Expert Group in establishing the APEC database.

iv) To take action to promote the development of capital markets in the region; and

v) To engage in parallel APEC Finance Ministerial Process where policy discussion on SME finances issues occurs.

V. Market Access

Market access is critical to the globalization efforts of SMEs and their ability to take full advantage of the post-Bogor environment.

a. Policy Objectives/Milestones

Member economies will expand SME economic opportunities by further liberalizing and facilitating trade and investment to enable SMEs to fulfil their potential. SMEs need accurate and timely information on foreign markets, market opportunities, cultural and business practices, and regulations specific to these markets.

By the year 2020, SMEs will be increasingly globalizes and internationally competitive as a result of being better able to identify and meet demands for goods and services across APEC economies, and having improved access to timely and quality information about market opportunities.

b. Action Items

Member economies will take action in the area of market access to expand SME economic opportunities by further liberalizing and facilitating trade and investment to enable SMEs to fulfil their potential. Action items agreed by member economies are:


4 DIALOGUE ON MEMBER ECONOMIES’ POLICIES/ACTIVITIES

To develop SMEs, APEC members recognize the importance of sharing their knowledge and experience in regard to SME policies, cooperating (as appropriate) to enhance each member’s policies in the light of common policy concepts, and providing opportunities to implement cooperative projects for the fostering of SMEs.

Policy dialogue between members has been promoted through SME Ministerial meetings and Small and Medium Enterprises Working Group (SMEWG).

Through such policy dialogue, the SME Action Program provides an ongoing consultative and practical approach to the commercial needs of the SME sector, an approach that is relevant to the needs of SMEs in the region.
The SME agenda cuts across many of the activities of APEC in its other working groups and committees. The SME Action Program has been prepared in the context of this work. It acknowledges and complements the initiatives of the other APEC working groups and committees.

Acknowledging the work done by other international organizations in SME policy development and recognizing the need to avoid duplication and build on best practices, member economies will seek opportunities to exchange information with non-APEC fora.

I. Execution and Review Mechanism

Member economies recognize the importance of evaluating and reporting on the progress and results of the implementation of the individual action items in the SME Action Program. The SMEWG will therefore continue to monitor and review action items under the SME Action Program and its differential impacts on women and men.

SME Ministers will meet from time to time, as necessary, to maintain the momentum of ongoing policy dialogue and to review progress under the SME Action Program.
**ACTION PROGRAM FOR TELECOMMUNICATIONS AND INFORMATION**

1 **INTRODUCTION**

Given the critical role of the telecommunications and information infrastructure in strengthening the multilateral trading system, enhancing trade and investment liberalisation and facilitation, and intensifying development cooperation, the Telecommunications and Information Working Group (TELWG) is making this sector a model in achieving these goals set by APEC Leaders at Bogor in 1994, and therefore has adopted the following Action Program.

2 **COMMON POLICY CONCEPTS**

In keeping with the Leaders’ instructions to ministers and officials to begin immediately to develop detailed proposals for implementing their decision, the APEC Ministers responsible for Telecommunications and Information industry gathered in Seoul Korea, in May, 1995 and adopted the following objectives and principles for the Asia-Pacific Information Infrastructure:

a. **APII Objectives**
   i) To facilitate the construction and expansion of an interconnected and interoperable information infrastructure in the region.
   ii) To encourage technical cooperation among member economies in the development of the infrastructure.
   iii) To promote free and efficient flow of information.
   iv) To further the exchange and development of human resources.
   v) To encourage the creation of a policy and regulatory environment favorable to the development of the Asia-Pacific Information Infrastructure.

b. **APII Principles**
   i) Encouraging member economies in the construction of domestic telecommunications and information infrastructure based on their own reality.
   ii) Promoting a competition driven environment.
   iii) Encouraging business/private sector investment and participation.
   iv) Creating a flexible policy and regulatory framework.
   v) Intensifying cooperation among member economies.
   vi) Narrowing the infrastructure gap between the developed and the industrializing economies.
   vii) Ensuring open and non-discriminatory access to public telecommunications networks for all information providers and users in accordance with domestic laws and regulations.
   viii) Ensuring universal provision of and access to public telecommunications services.
   ix) Promoting diversity of content, including cultural and linguistic diversity.
   x) Ensuring the protection of intellectual property rights, privacy and data security.

c. **Priorities**
   i) The Ministers responsible for Telecommunications and Information directed the Working Group to develop plans to improve the information infrastructure with the aim of facilitating effective cooperation, free trade and investment, and sustainable development of the region.
   ii) The ministers directed that the TELWG expedite work in three areas:
   – trade in International Value-Added Network Services (IVANs);
   – harmonisation of Procedures for Equipment Certification;
   – mutual Recognition Arrangements for Conformity Assessment.
   iii) in addition, the TELWG project groups have the following continuing priorities:
— promote better understanding of the telecommunications and information infrastructure and regulatory environment through data compilation activities.
— facilitate increased trade flows through electronic commerce.
— promote the rapid construction of the Asia-Pacific Information Infrastructure.
— promote human resources development through a series of training courses applicable to all APEC member economies.
iv) promote technical cooperation, such as joint research and technology transfer.

3 APEC JOINT ACTIVITIES

Economies, through the TELWG, and through their own actions, will implement the Action Plan and policy principles approved by the four APEC Ministerial Meetings on Telecommunications and Information Industry.

Specifically, the economies will undertake the following:

I. Liberalisation and Investment Issues

Development and implementation of plans (issue-specific guidelines) for the telecommunications information sector to achieve the Bogor objectives of trade and investment liberalisation and trade and investment facilitation. They will:

i) Conform, where appropriate, to the Guidelines on Trade in International Value-Added Network Services (IVANS) and generally conform, where appropriate, to the Guidelines on the regional Harmonization of Equipment Certification Procedures.
ii) Continue to work to harmonize administrative procedures governing certification of customer telecommunications equipment.
iii) Accelerate the pace of implementation of the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment (MRA).
iv) Foster the development of effective policies that support competitive markets in the domestic and international telecommunications and information industries.
v) Foster discussion between business/private sector and governments on appropriate means to assess and reward the value of products and services exchanged in the provision of converged Internet services among APEC economies, consistent with the APEC Principles on International Charging Arrangements for Internet Services.
vi) Implement, within voluntary time frames the APEC Interconnection Principles and consult on the need for further discussions on interconnection.

The following TELWG projects and activities support these objectives:
- Interconnection Task Group.
- Internet Issues Task Group.
- MRA Task Group.
- Regulatory Structures Project.
- Convergence Roundtable.
- MRA Support Project.
- MRA Management System.

II. Business facilitation

i) Share information on the state of the telecommunications regulatory environment and infrastructure development in each APEC economy in order to improve business/private sector access to related
policies, regulations and other information.

ii) Work to ensure that policy and regulatory environments better foster the uptake of e-commerce.

iii) Promote electronic commerce through seminars, studies on electronic data interchange application development, and experiments on the interoperability and suitability for electronic commerce of various networks.

The following TELWG projects and activities support these objectives:
- Electronic Commerce Seminars.
- Electronic Commerce Capability Building.
- Cross Country Smart Card Based Secure Electronic Commerce Project.
- Electronic Authentication Task Group.
- Business requirements for interactive systems in the APEC region.
- B2B Interoperability Project.

III. Development Cooperation

i) Work to encourage universal access to internet services, to bridge the digital divide at the domestic, regional and global levels and to cooperate and collaborate with the business/private sector in this effort.

ii) Implement the APII Test-Bed Projects, including the demonstration projects for interoperability and inter-connectability.

iii) Encourage the testing and dissemination of new technologies to achieve the APII.

The following TELWG projects and activities support these objectives:
- Blueprint on the Digital Divide.
- APII Cooperation Centre.
- APII Technology Centre.
- APII Test Bed Project for Interconnectivity and Interoperability.
- Techno Economic Modelling Project.

IV. Human Resource Development Activities

i) Promote human resources development by means such as holding training courses on privatization and competition in telecommunications and information industries, and working towards a distance learning pilot project for experts in this area.

ii) Continue personnel exchange programme in the field of telecommunications and information by encouraging more participation from member economies in order to support the implementation of APII action plan.

The following TELWG projects and activities support these objectives:
- Distance Learning Pilot Project.
- Distance Learning Strategic Needs Analysis Project.
- Distance Learning Project Based on Basic Telecommunications Technology.
- Skills Standards Project.
- MRA-HRD Project.
- APEC TEL Interconnection Training Project.
- The TELWG has adopted a Gender Integration Plan.
4 DIALOGUE ON MEMBER ECONOMIES’ POLICIES/ACTIVITIES

The TELWG has engaged in dialogues on member economies’ policies and activities since its inception in 1990. Since 1991, the working group has issued a series of publications on the state of members’ telecommunications infrastructure and regulatory environment. At the TELWG meetings, members supplement these periodic publications with six-month regulatory updates, which are included in the Chairman’s report.

Interconnection has been identified as an important policy issue about which member economies will exchange information. The information will be included in the TELWG’s six-monthly regulatory policy updates and in the published volumes on the state of APEC member economies. In-depth discussion of this and other policy issues, such as universal service, are planned for the near-term.
1 PREAMBLE

Given the growing importance of the tourism industry in promoting economic growth and social development in the Asia Pacific region, the Tourism Working Group (TWG) has developed an action program which has as its focus the long term environmental and social sustainability of the industry. It requires that APEC member economies give serious attention to addressing the impediments to tourism movements and investment, and the liberalisation of trade in services associated with travel and tourism.

2 COMMON POLICY CONCEPTS

Consistent with the APEC Economic Leaders’ Declaration of Common Resolve from Bogor, Indonesia, the TWG is committed to working towards:

i) removing barriers to tourism movements and investment and liberalizing trade in services associated with tourism;

ii) developing and implementing the concepts of economic, environmental and social sustainability to tourism development;

iii) facilitating and promoting human resources development;

iv) promoting an enlargement of the role of the private sector in tourism development, through investment opportunities, public and private joint ventures, and linkages with companies and private sector institutions;

v) developing cooperation and programs in the areas of telecommunication, transportation, passenger facilitation, financial and other information-based services related to trade in tourism; and

vi) sharing of information on the nature and extent of the tourism industry in the region, and member economies experience in its development.

3 JOINT ACTIVITIES

The APEC TWG’s joint activities, as agreed in the Seoul Declaration on an APEC Tourism Charter at the First APEC Tourism Ministers’ Meeting in July 2000, will include the following items:

I. Removal of Impediments to Tourism Business and Investment

i) In achieving this goal, the TWG will focus its work on the completion of the TWG Project titled ‘Tourism Impediments Study (Phase 1)’.

II. Increased Mobility of Visitors and Demand for Tourism Goods and Services in the APEC Region

i) A number of TWG initiatives will contribute in progressing this Policy Goal, including the projects ‘Best Business Practices in Accessible Tourism to Travelers with Restricted Physical Abilities, including Senior Citizens’ and ‘The Application of E-commerce in Tourism SMEs’. Other work will include the facilitation of information flows to consumers through the establishment of an ‘APEC Tourism Information Network’ (also under Policy Goal 4), ‘Best Business Practices in Health Issues’ (particularly air transportation), a Framework for Classification of Festivals and Events and a project focussing on the ‘Improvement of Tourism Standards in the APEC region’.

III. Sustainable Management of Tourism Outcomes and Impacts

i) The policy action plan includes the endorsement the APEC/PATA Code of Conduct for Tourism. It seeks to protect the social integrity of host communities with particular attention to the
implications of gender in the management and development of tourism. In addition, the projects, “Training for Sustainable Development in the Tourism Industry” and “Public-Private Partnership for Sustainable Tourism”, will contribute to the achievement of this goal.

IV. Enhanced Recognition and Understanding of Tourism as a Vehicle for Economic and Social Development

i) The TWG will focus on the development of three projects that directly pertain to this goal: ‘Best Practices on Development of Tourism Satellite Accounts (TSAs)’; the development of an ‘APEC Tourism Information Network’ and an ‘APEC Tourism Research Network’. Work will also be undertaken, through a survey, to gauge each Economy’s position in relation to the development of TSAs and to help in determining the hurdles to wider implementation of TSAs.

ii) The TWG will continue to work with the WTO to ensure the regular collection and dissemination of tourism statistics and data within the APEC region. The TWG will also undertake an investigation into Member Economies’ Tourism Forecasting Capabilities and consider options for enhancing these.

V. Other Priority Actions include:

i) Development and updating of each member economy’s Individual Action Plan for Tourism (IAP).


iv) Commencement of a number of other projects which will contribute to tourism development in the APEC region.

VI. Public-Business/Private Sector Cooperation

In its activities the TWG is mindful that there are a number of other organizations working to encourage tourism development in the region, including: the Pacific Asia Travel Association (PATA); the World Tourism Organisation (WTO); the World Travel and Tourism Council (WTTC); the Economic and Social Commission for Asia and the Pacific (ESCAP); and the United Nations Educational, Scientific and Cultural Organisation (UNESCO); and is, therefore, committed to working cooperatively with them to avoid duplication of efforts. The TWG is also committed to working cooperatively with other APEC working groups where areas of interest impact on tourism development.

4 DIALOGUE ON MEMBER ECONOMIES’ POLICIES/ACTIVITIES

Through its policies and activities, the TWG will endeavour:

i) to facilitate the roles of the business/private sector in tourism development;

ii) to urge the realization of promoting and enlarging the role of the business/private sector in tourism industry including strengthening the role of small and medium enterprises, and

iii) to urge initiatives of developing economies, members may consider human resource development in tourism sectors for the developing member economies.
ACTION PROGRAM FOR TRADE PROMOTION

1 INTRODUCTION

To contribute to the sustained economic development and improved standards of living of all the people of the Asia Pacific region, the APEC Working Group on Trade Promotion (WGTP) agrees to promote the dynamism of intra-regional trade through the activities outlined in this action program.

2 COMMON POLICY CONCEPTS

a. Goals
   i) Promotion of intra-regional trade by providing expanded trade opportunities.
   ii) Promotion of mutual understanding of the trade promotion measures of member economies.
   iii) Encouragement of participation in the WGTP activities from the industrial and business/private sectors, including trade promotion organizations, by absorbing their expertise and experience.

b. Basic Principles

I. Shared Responsibility

The sustainable development and improved standards of living in the region is the responsibility of all member economies.

II. Common Interest/Common Benefit

Many problems associated with trade promotion related issues are common to all APEC members. There is a common benefit in sharing experiences relating to the resolution of these issues.

III. GATT/WTO Consistency

Member economies will ensure that the activities of WGTP are fully consistent with all the provisions as well as the spirit of the GATT/WTO Agreement.

IV. Equal Partnership and Mutual Respect

While ensuring mutual respect by recognizing the divergent conditions of member economies, all member economies will equally participate in and benefit from the promotion of intra-regional trade.

c. Priorities
   i) Promotion of trade-related activities in goods and services.
   ii) Trade financing.
   iii) Trade skills and training.
   iv) Trade information.
   v) Cooperation between the business/private sector and government agencies, including trade promotion organizations.

3 JOINT ACTIVITIES

The WGTP will work to expand and improve the content of its activities to include gender issues and to achieve tangible results, making positive efforts in new areas such as creating a trade-friendly environment.
I. Trade Promotion Activities

The following activities will be conducted on a regular basis over the short to medium-term:

i) APEC trade fairs, with sectoral focuses and the APEC Food System in mind, will be held to promote intra-regional business opportunities.
ii) Seminars involving the business/private sector will be held to discuss common intra-regional trade issues, including specialized sessions such as sustainable development, gender integration and trade in food products.
iii) TPOs of member economies should be represented as appropriate at WGTP meeting to enhance intra-regional linkages and cooperation.

II. Trade Financing

The following events will be held on a regular basis over the short to medium-term:

i) Seminars will be held on trade financing, covering topics such as export insurance, risk management and credit guarantee funds for SMEs.
ii) Workshops on venture capital will be held to exchange views on the best practices among member economies.

III. Trade Skills and Training to Foster Trade Promotion-related HRD

The following activities will be conducted over the short to medium term:

i) Trade-related training courses/workshops/seminars will be implemented to cultivate the skills and expertise in both business and public sectors to help boost trade development in the region.
ii) A mechanism will be developed for the exchange of trade promotion experts
iii) Special training program will be designed to promote the gender integration in the trade promotion field.

IV. Promotion of Information Sharing to Foster a Trade Friendly Environment

Launched in 1998, APECNet features business matching services and two-way hyperlinks to the trade promotion organizations of member economies. Future enhancements will include tender announcements, franchise opportunities, joint ventures, directory of APEC trade shows and facilitating strategic alliances at the corporate level. Efforts will be made to promote the site to business/private sector. Meanwhile, in order to develop a trade-friendly environment, the Working Group will encourage the business/private sector to use BizAPEC website to get information on trade environment in each economy.

The surveys on the core characteristics of trade promotion organizations have been conducted to promote a mutual understanding among member economies, on the roles, functions, and activities of trade agencies in the APEC region.

In order to develop a trade-friendly environment, the Working Group will encourage the business/private sector to use BizAPEC website to get information on trade environment in each economy.

V. Business/Private Sector Participation in WGTP activities

The following activities will be conducted over the short to medium-term:
To address the needs and concerns of the business/private sector, including SMEs, in the face of globalization and e-commerce development, close consultation with business/private sector representatives will be maintained in the process of devising and implementing WGTP work projects. Furthermore, the key participants and beneficiaries of the WGTP projects of events, besides government officials, will continue to be people from the business/private sector. A joint video-conference of government and business/private sector representatives will be held in conjunction with WGTP meeting(s) as and when necessary, in order to ensure that the experience and expertise of the business/private sector are reflected in the WGTP’s activities.

4 DIALOGUE ON MEMBER ECONOMIES’ POLICIES/ACTIVITIES

The role of the APEC WGTP meetings is to allow members to exchange views on the trade promotion measures which each is applying, thus promoting common understanding among Members. The expertise and experience of Members’ industrial and business/private sectors and trade promotion organization will be reflected in these discussions and put to use in future activities.
ACTION PROGRAM FOR TRANSPORTATION

1 INTRODUCTION

Transportation plays an important role in the economic and social well being of each economy in the APEC region. The ability of a transportation system to efficiently handle the movement of people and goods is critical in order to maximise economic productivity, facilitate trade, and contribute to the mobility of people. The APEC Transportation Working Group (TPTWG) is committed to achieving the goals set by the APEC Leaders at Bogor, Indonesia, in 1994 for the transport sector.

2 COMMON POLICY CONCEPTS

APEC economies are striving, through economic co-operation, to enhance the prospects of an accelerated, balanced and equitable economic growth in the Asia-Pacific region and throughout the world as well. A strategic, coherent and comprehensive approach is required, embracing the three pillars of sustainable growth, equitable development and economic stability, as stated in the Bogor Declaration.

The development of the transportation sector in the APEC region should promote equitable economic development in the APEC region to help people of all economies in the region share the benefits of economic growth.

The action program is prepared as a means of organising the activities in the transport sector to be undertaken in accelerating the process of intensifying development co-operation and enhancing trade and investment liberalisation in the Asia-Pacific region.

As a result of recommendations made by the APEC Ministers and endorsed by Leaders in their meeting in November 1994 in Indonesia, APEC Ministers in charge of Transportation met in Washington, DC, USA, in June, 1995 and adopted a Joint Ministerial Statement. That statement, together with the statement arising from the second meeting of Transportation Ministers in Victoria, BC, Canada, in June 1997, as well as the Transportation Working Group Strategic Direction adopted in November 1999, provide the basis on which the objectives, principles, and priorities for transportation for the Asia-Pacific region are drawn.

The current priorities of the Transportation Working Group, expressed by Transportation Ministers, are:

i) To facilitate the harmonisation, coordination and transparency of transport policies, regulations, procedures and standards.
ii) To promote timely rational investment in the region's transport infrastructure.
iii) To encourage efficient use of existing infrastructure through the application of appropriate trade and transport facilitation techniques.
iv) To promote transport system safety and security in the region.
v) To promote on the basis of fair and equitable access to markets, a more competitive transportation operating environment, and to cooperate to address institutional constraints affecting the provision of transportation services in the region.
vii) To facilitate improvement in productivity, skills and efficiency of labour and management in the transport industry.

3 APEC JOINT ACTIVITIES

Member economies, through the TPTWG, and through their own actions, will implement a range of actions aimed at achieving in the most concrete and ambitious way the priorities identified by Ministers and adopted in the Transportation Joint Ministerial Statements of 1995 and 1997. The TPTWG will also continue with
projects started by the group and develop new projects that accord with Ministers statements and its strategic direction as required.

Specifically, the economies will undertake the following:

i) Respond to the Leaders ‘Auckland Challenge’ of 1999, by implementing the eight steps for more competitive air services on a voluntary basis and by identifying further steps to liberalize air services in accordance with the Bogor Goals, and provide annual progress reports to Leaders through SOM.

ii) Develop by 2005 an efficient, safe and competitive operating environment for maritime transport and the ports sector in the region through improved transparency of maritime and port policies.

iii) Complete the ‘Transportation Road Transport Harmonisation Project’ and encourage the development of mutual recognition arrangements for certification of automotive product and harmonisation of economies’ vehicle regulations through co-operation within the United Nations Economic Commission for Europe.

iv) Improve by 2005 port efficiency and capacities in the region through the exchange of information and expertise among port experts and programs.

v) Develop by 2005 guidelines, standards and provisional options associated with an integrated transport system for the improvement or elimination of ‘bottlenecks’ in the region.

vi) Provide by 2002 a mechanism for increased co-operation and communication between APEC Economies in the transportation security area.

vii) Seek to eliminate the requirement for paper documents (both regulatory and institutional) for the key messages relevant to international transport and trade as soon as practicable by 2005.

viii) Implement the action plan on ‘Intelligent Transport Systems’ (ITS) to promote co-operation in ITS technology and standards.

ix) Continue work to address aviation and maritime safety deficiencies in the region and propose recommendations for improvement.

x) Develop by 2005 a plan to facilitate the implementation of satellite navigation and communications systems in the region.

xi) Identify by 2002 road safety issues and problems in the region and develop comprehensive strategies to address these.

xii) Implement the Framework for the Integration of Women in APEC and identify initiatives for the full participation of women in the transportation sector.

xiii) Continue the seafarers training project to meet seafarers’ training needs in the APEC region.

xiv) Consider by 2005 measures to promote transparency in regulations, resolve differences in conformity assessment and facilitate the mobility of transport personnel by encouraging the mutual recognition of professional qualifications.

xv) Identify by 2005/2010 the intermodal skills needed within APEC member economies and suggest methods of developing training programmes.

Additional actions will be developed and implemented by the TPTWG to continually update its efforts to achieve the objectives established in the Bogor Declaration, APEC Leaders and Ministers Statements, Transportation Ministers’ Joint Ministerial Statements, and the group’s Strategic Direction.

4 DIALOGUE ON MEMBER ECONOMIES’ POLICIES/ACTIVITIES

The Transportation Working Group has engaged in dialogue on member economies’ transportation policies and activities since its establishment in 1992. During each plenary session of the TPTWG, economies provide information on recent developments in their respective transport sectors. Economies are urged to voluntarily report the transport elements of their economies Individual Action Plans, and a link exists between the TPTWG Website and the IAPs on the APEC Secretariat Website.
The TPTWG, in conjunction with its regular meetings, conducts appropriate seminars as a forum of dialogue among member economies, including both the public and business/private sectors, on specific transportation issues aimed at identifying problems and opportunities. The TPTWG has also sought guest participation from international organisations and industry associations in the transport sector.

The APEC Transportation Ministers at their first meeting in Washington, DC, USA, stressed the need to continue a dialogue among themselves to further promote mutual understanding of transportation issues of common interest and ensure the implementation of the identified priorities for co-operation and action. Similarly in 1997, they instructed the TPTWG to increase business/private sector participation as well as involve ABAC and PECC and give careful consideration to their recommendations on transport issues.
The APEC High Level Meeting on Human Capacity Building in Beijing on 15–16 May, 2001 was initiated at the APEC Leaders meeting last November by H.E. President Jiang Zemin of the People's Republic of China, and H.M. Sultan Haji Hassanal Bolkiah, the Sultan and Yang Di-Pertuan of Brunei Darussalam and supported by all APEC Leaders. The initiative had its origins in the vision laid out by APEC Leaders in Brunei who committed to put in place a policy framework which would enable all people in APEC economies to have individual or community-based access to the services of the Internet by 2010 and to treble the number with access in APEC economies by 2005. They placed particular stress on the importance of human capacity building to ensure that all people could benefit from these goals and on partnerships across the widest spectrum of stakeholders to develop the necessary policies and programmes to respond to this human capacity building challenge.

The High Level Meeting was chaired by H.E. Zhang Xuezhong, Minister of Personnel of the People's Republic of China and H.E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources of Brunei Darussalam.

More than 500 participants including Ministers and their representatives, government officials, business leaders, and experts from the education, academic and training sector from all 21 APEC economies met to address the theme **New Economy, New Strategy: Co-operation and Innovation to Build Human Capacity for Common Prosperity**. They worked together to reach a deeper understanding on the role of human resources in the economic and social development of the new economy. The participants also identified strategic options to strengthen human capacity building and to create partnerships across all stakeholders.

**Challenges Ahead: Moving from Old to New for Stakeholders**

The new economy is primarily a knowledge-based economy. It is a strategic combination of many factors. They include organizational and structural changes, an appropriate combination of technologies, policy settings and capacity building based on the innovation and creativity promoted by expanded international trade and global networked information technologies. Sustainability of the new economy is in part an effect of sound macroeconomic foundations, particularly in terms of fiscal stability and a commitment to openness in trade and investment.

The new economy offers unprecedented opportunities for economic growth, employment and higher living standards. It is also posing new challenges for APEC economies to respond to the management, policy, social and human resource impacts of globalisation and networked information technologies.

APEC comprises a diverse mix of economies requiring different approaches to the new economy; some are leaders in innovation and creativity; others are capable of adopting and adapting those technologies; and there remain some that have yet to engage fully with those technologies. APEC is able to support the development of effective responses to the new economy’s challenges by promoting and facilitating human capacity building partnerships among all the stakeholders, in particular governments, businesses and education and training sectors.

The challenges created by the new economy emerge at many levels. Businesses of all sizes from international corporations to micro-enterprises, and family businesses must enhance their capabilities to participate in and take full advantage of the global economy. Individuals from their student days and throughout their working lives face the need to continually update their knowledge and skills as part of a life-long learning
society. The challenges require stakeholders to question many traditional ways of thinking about, for example, technological change, work organization, management practices, employment practices, education and training and market behaviour, and adopt a new concept of development to step up human capacity building. What is most needed for APEC human capacity building currently is to bridge the digital divide, and in return, convert “digital divide” into “digital opportunities” so as to benefit all economies.

**Strategic Options: Working to Reach All People**

Building human capacity must be based upon clear and dynamic strategies which can effectively respond to the rapid changes taking place. There is a critical need to set objectives, principles and priorities, and formulate and carry out effective policy measures. Participants identified some key elements which could be considered in developing strategic options. These include the importance of policies that foster innovation and entrepreneurship, promote a broad distribution of the opportunities of the new economy, encourage engagement with all stakeholders, strengthen education as the foundation of life long learning, seek equal access and opportunity for women, and facilitate the diffusion of information and communication technology through regulation and measures to enhance access and public confidence.

Within the APEC agenda, human capacity building must be among the highest priorities. As one of the pillars of the new economy, it must be integrated with the overall economic, social and human resources development strategies of member economies. APEC should develop an integrated strategy for human capacity building through evolving cooperation, drawing on the experiences within the region and taking into account the diversity of APEC members in terms of development experiences, cultures and traditions.

To take up the opportunities from the new economy, it is important for all sectors of the community to view resources allocated toward developing human capacity as an investment rather than a cost. At the economy level, individuals, firms and governments should all be encouraged to allocate a larger share of resource to developing human resources.

**Innovative Co-operation: Better Policy Approaches**

The meeting heard of many existing programs and activities to develop human capacity which are now underway in the region in response to the demands of the new economy. In many cases these were initiated outside of government but involved cooperation among government, business and education institutions. The meeting believed that these should be given strong support and that governments should reflect upon the policy environment which would facilitate these programs and enable them to be expanded.

All APEC member economies will benefit from promoting human capacity building through comprehensive, widespread and flexible partnerships and networks, engaging all sectors of the community, in particular government, business and education and training sectors. While these partnerships are likely to be based on the commercial, social and educational interests of stakeholders they should ultimately be targeted toward mutual benefit and common prosperity. An innovative and flexible cooperative approach would enable better identification of needs for human capacity building, a more transparent policy environment and more effective provision of public services, tailored to specific needs.

Participants agreed that all parts of the community could play a constructive role in the development of APEC wide human capacity building strategies. Participants shared a rich diversity of perspective and experiences that demonstrate that partnership approaches to policy development and program delivery are successful.

**The Way Forward: Calls to Action**

The meeting called for further action by APEC stressing that APEC economies would benefit from actively
broadening the various cooperation channels, exploring new cooperation approaches, and undertaking various kinds of activities in the principle of mutual benefit, complementary endeavour and sharing resources.

Taking a market-based approach to many of the challenges posed by human capacity building is likely to provide an effective way forward. Resources must be mobilised and allocated and difficult choices must be made. Markets will not always successfully achieve social outcomes but they can provide the necessary incentives and signals.

The meeting believed that government must continue to play an important role even with a market-oriented approach. There are market failures and governments must provide a clear and transparent regulatory environment. Governments are both buyers and providers of technology and services and the choices they make will have a significant impact on the ability to use these services for effective capacity building.

In the context of the globalising economy, open international markets are crucial for many elements of human capacity building. They enable cross border flows of services and information. High levels of complementarity among APEC members in education and education services provide the potential for all APEC economies to gain access to the highest quality education, training and skills.

APEC can build upon the region's diversity. APEC includes some of the world's most advanced economies with substantial technological bases, strong and proven institutions and well developed human resources. It also includes developing economies which are in earlier stages of engagement with the new economy. APEC can play a significant role in bridging the digital divide by enabling all economies to tap the region's expertise and resources through the exchange of information, best practices and policy options.

The great diversity among APEC economies means there is no one best strategy for taking up the challenges of the new economy. Interaction within APEC can enable member economies to understand the strategic options open to them and develop appropriate policies and sets of actions.

The meeting recommended that this year's APEC Economic Leaders' Informal Meeting and Ministerial Meetings integrate human capacity building as a central issue and take into consideration the outcome of this meeting. APEC fora should shape the agenda for actions and policies ahead and accelerate human capacity building so as to further facilitate trade and investment liberalization and facilitation and sustainable economic growth for common prosperity in the Asia and Pacific region.

**OPPORTUNITIES FOR FURTHER WORK**

During the course of discussions at the APEC high level meeting on human capacity building, representatives from the government, business and education and training sectors of APEC economies shared experiences and practices, explored better approaches and came up with series of innovative and interesting ideas on human capacity building within the region. These ideas offered opportunities for further actions by APEC.

1. **Bridging the Digital Divide and Expanding Internet Access**
   - Develop a program to provide technical assistance to developing member economies in consistence with their specific situations in shortening the digital divide between APEC members;
   - Develop and implement cooperative HCB projects in a joint partnership approaches between developed and developing economies to bridge the digital divide among member economies;
   - Develop programs and policies to promote investment in and application of IT and access to the internet in all APEC economies to bridge the ‘digital divide’ with an effort to enable more people to benefit from information and internet technology. Among these policies are appropriate pricing mechanisms to encourage greater access to the internet;
Address impediments to greater Internet usage, and time spent online should be addressed and, where applicable, APEC economies should consider competitive and flexible pricing policies that allow flat rate (unmetered) access to the Internet;

Build on the Knowledge Network launched by Leaders in Brunei in 2000, by establishing an APEC education component of the Network to make available on the World Wide Web the best resources in education and training from all APEC economies, creating a community of practitioners via communication technology.

Expand projects for IT skills application and Internet access;

Exchange research findings on appropriate policies to enhance Internet access and usage;

Assist in building the human resources information network in high tech parks;

Maintain open access in digital trade, and;

Develop a pilot e-learning promotion program with cooperation of government, business and education and training sectors to expand network knowledge training in member economies in order for them to become more adapted to the new economy and new tech revolution.

2. Setting up a Life-long Education and Building a Learning Society

- Establish accessible wide- and multi-dimensional learning networks to enable the whole community, in particular, the disadvantaged groups to have access to learning throughout their work and life;
- Endeavor to convert education and training systems that are supplier-centered into consumer-oriented systems, in response to current demands;
- Establish a sound life long learning system to include pre-employment education, continual training and upgrading of knowledge and skills for workers;
- Enhance the skills and responsiveness of government employees to better equip governments to design policy infrastructure in a changing environment;
- Support collaboration between regional organizations involved in IT literacy and skills development through EduPACT and other appropriate mechanisms;
- Provide joint training in business management, trade, finance, securities, insurance, customs, law, accounting and human resources management, and;
- Encourage the opening of education and training facilities, including facilities which transcend national boundaries.

3. Strengthening the Managerial and Employee Training and Enhancing Enterprises Competence in the Context of Economic Globalization

- Develop a package of liberalization measures to ensure continued open access including various elements of e-commerce (tariffs, services, IPR protection). Review this package within APEC with a view to developing consensus on implementation and an implementation timetable;
- In development of highly skilled executive, managerial and technical personnel focusing on strengthening their adaptability, effectiveness and creativity. This could be accomplished through development of high quality, accessible and flexible education systems for the future, as well as other training programs for the development of managerial and professionals skills, entrepreneurship and leadership competencies;
- Provide retraining for both employees and employers in developing economies to help them catch up with the requirements of New Economy for sustainable growth and equitable development within APEC community fostering sustainable growth and equitable development within APEC community, and
- Reduce relevant legal and regulatory restrictions to facilitate the exchange of human talent across the APEC region;

4. Integrating the Resources and Promoting the Overall Human Capacity Building

- Integrate human capacity building within their overall social and economic development strategy,
recognizing the critical importance of human capital by developing more integrated approaches to capacity building, innovating in policy development and program delivery, and increasing inputs from all channels;

- Develop relevant program to enhance entrepreneurial and management skills, particularly among small and medium enterprises to meet the new demands from globalization and the new economy;
- Develop policies to provide incentives for the business sector to participate in the development of human capacity building facilities and infrastructure, ensuring that access is maintained for the development of e-commerce and exchanges in a digital environment;
- Facilitate mutual recognition of education and professional qualifications which should be based on standard of achievement and outcomes that are mutually agreed between economies;
- Facilitate access for students from APEC members economies to access to education and training opportunities which they need to play their part in the new economy that are available in the APEC region;
- Develop APEC programs under the “Evolving Cooperation Initiative” scheme, which consists of series of projects based on regional needs, cooperation plan and review process, to enhance capacity building cooperation more successively and strategically;
- Enhance the industry-academic partnership between businesses, as end users of the workforce as well as providers of financial resources, and universities, educational institutions, and vocational training institutions, as suppliers of the workforce, so that they produce an IT workforce that is readily available to high-tech businesses;
- Establish mutual linkages between sectoral networks including business, education, training sectors and government to draw out synergy effect to the human capacity building;
- Encourage trade union to develop and implement relevant training programmes, and motivate and mobilize workers to undertake life long learning, and;
- Establish an APEC Human Capacity Building Network Center.
MEETING OF APEC MINISTERS RESPONSIBLE FOR TRADE (MRT)

Shanghai, the People’s Republic of China
6–7 June 2001

CHAIR’S STATEMENT

Introduction

1. The Meeting of APEC Ministers Responsible for Trade was held on 6–7 June 2001 in Shanghai, the People’s Republic of China. Ministers from Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; the Republic of Korea; Malaysia; Mexico; New Zealand; Peru; the Philippines; Papua New Guinea; Russia; Singapore; Chinese Taipei; Thailand; the United States of America and Viet Nam participated in the meeting. The APEC Secretariat was present at the meeting. The Pacific Economic Cooperation Council (PECC) and the Secretariat of the Association of Southeast Asian Nations (ASEAN) also attended the meeting as observers.

2. The meeting reviewed recent trends of economic development in the Asia Pacific region. In pursuing the APEC goal of free and open trade and investment, the meeting also looked into critical multilateral and regional trade policy issues that member economies are facing.

Meeting New Challenges in the 21st Century

3. The meeting was convened at a time when the economy in the region is experiencing a slowdown. Over the past years, APEC members have made remarkable achievements in overcoming economic difficulties and in restoring economic growth. Some developed economies demonstrated unprecedented economic performance as measured by growth rates, inflation and employment. Many member economies have managed to come out of the financial crisis and were now back on the growth path.

4. However, Ministers noted that economic growth has begun to slow down since the second half of last year. Demand in the IT sector has become sluggish; some turbulence appeared again in the financial markets, and exports began to tumble as well. While many people in the region remain cautiously optimistic, such trends added uncertainty to the economic prospect of the region. To inject vigor into their respective economies, Ministers agreed to further enhance bilateral and multilateral cooperation to promote free and open trade and investment, and take early action to prevent possible economic disturbance.

5. Ministers noted that the meeting was held at an age when globalization was affecting almost every aspect of people’s lives. Ministers reaffirmed the view expressed by Leaders in Brunei that the movement towards global integration presented the greatest opportunity to deliver higher living standards and improved social well being for APEC communities. However, Ministers recognized that globalization also posed new challenges to developing member economies, as many of them were lacking the necessary resources to adequately prepare themselves for the expeditious but inevitable process. Ministers also noted that, despite the overall benefits of expanded trade, there are continuing public concerns regarding globalization and the process of trade and investment liberalization. In this context, Ministers reiterated their resolve to bring the benefits of globalization to all our people, to better communicate those benefits to the APEC communities, and to work closely to enhance cooperation in various areas to rise to the challenges.

Making Contribution to the Multilateral Trading System

6. Firmly underlining APEC’s commitment to open regionalism, Ministers reaffirmed APEC’s strong support for an open, equitable, sound and rule-based multilateral trading system, from which all
7. Reaffirming the commitment of APEC Leaders and Ministers in Brunei to launch a new round of multilateral trade negotiations in 2001, Ministers agreed that the WTO Ministerial Conference to be held in November in Qatar presents a critical opportunity for the expeditious launch of the new round in 2001. Ministers recognized that the Geneva process should be pursued with urgency and strong political engagement. Ministers welcomed the positive signs in favor of launching the new round emerging recently in Geneva and committed to work closely towards initiating, maintaining and accelerating a vigorous momentum in Geneva in this regard. Ministers further expressed their determination to ensure the new round will be launched at the Qatar Conference.

8. Recognizing that issues regarding agenda-setting for the new round of negotiations in the WTO should be primarily addressed in Geneva, Ministers agreed that it is imperative for the WTO members to enhance internal transparency to facilitate the equitable and effective participation of all members and to work out in advance a balanced and sufficiently broad-based agenda as early as possible, which should be achievable and reflect the interests and concerns of all members, especially those of the developing members. To this end, Ministers called on all parties concerned to demonstrate flexibility. Ministers further stressed the importance of working for continued progress in the ongoing WTO negotiations on agriculture and services, and of contributing to the WTO preparatory work on industrial tariffs and other related areas, without prejudice to the overall agenda for the negotiations. Ministers also emphasized that the focus of the new round should be trade-related issues, including existing WTO rules, and not duplicate the work of other international organizations.

9. Ministers reaffirmed APEC’s determination on expediting the full and effective implementation of the WTO Uruguay Round agreements and commitments as well as the significance of enhancing capacity building for developing member economies, so as to build confidence among members for an early launch of the new round. Therefore, Ministers called for the WTO to give due consideration to the implementation of the Uruguay Round agreements and commitments when formulating the agenda of the new round.

10. Ministers also agreed that APEC should demonstrate its support for the Qatar WTO Ministerial Conference by refraining from using measures to increase the levels of protectionism. To this end, Ministers reaffirmed their commitment to the APEC-wide moratorium on the imposition of customs duties on electronic transmissions until the Qatar WTO Ministerial Conference.

11. Ministers reaffirmed that the concerns of developing economies should be addressed through enhanced attention to the full and effective implementation of special and differential treatment as well as ongoing efforts for capacity building and technical assistance so as to facilitate their full participation in the WTO. In this regard, Ministers welcomed the progress made on the implementation of the APEC Strategic Plan on Capacity Building, and endorsed a list of projects proposed by member economies. (The List of Projects is attached as Annex A). Recognizing that this is an area where APEC could contribute substantively to the early launch of a new round, Ministers instructed Senior Officials to accord priority to these capacity building projects. Ministers also urged their early implementation of the projects as well as stronger support on capacity building and technical assistance to facilitate full participation of developing economies in the multilateral trading system and the WTO new round of trade negotiations. Ministers affirmed the importance of involving bilateral development agencies, relevant regional and international organizations to improve coordination of capacity building work and leveraging...
resources. In this respect, Ministers welcomed the bilateral assistance from member economies which contributes to the implementation of the Strategic Plan and facilitates the participation of developing economies in the multilateral trading system and the new round of WTO negotiations, including the new initiatives from Japan and Canada in this regard.

12. Ministers welcomed the substantial progress made in the negotiation on China’s accession to the WTO and urged for rapid completion of the process within 2001. Ministers also reiterated their support for the rapid accession of Chinese Taipei to the WTO, as well as the advancement of the accession process of Russia and Viet Nam to the WTO. Ministers supported the participation of all acceding economies in the new round of WTO negotiations.

**Trade and Investment Liberalization and Facilitation (TILF)**

13. Ministers recognized the importance of revitalizing the trade and investment liberalization process in APEC to advance the Bogor goals and contribute to global trade expansion. Ministers instructed Senior Officials to conduct full consultation to develop possible initiatives for their consideration at the Ministerial Meeting in October.

**Individual Action Plans (IAPs)**

14. Ministers endorsed the preliminary plans for IAP improvement in 2001 submitted by member economies, and were very encouraged by substantial actions contained therein. Ministers further reaffirmed that IAPs remain the most important mechanism for APEC to move forward towards achieving the Bogor goal. Ministers reiterated the necessity of responding, where appropriate, to the calls of the business community in preparing the IAPs. Ministers also took note of Japan’s proposal on improving the IAP peer review process and requested officials to further develop and discuss its details.

15. Ministers welcomed progress made in developing a comprehensive set of recommendations on improving the electronic web-based IAP system, and reaffirmed that the business sector’s views should be duly considered when the system is further improved. Ministers instructed officials to continue work on the recommendations with a view to presenting them to the Ministerial Meeting in October. Ministers agreed that such an improved e-IAP system would contribute substantively to the improvement of transparency, specificity and facilitation in the preparation of IAPs. Thus, Ministers recalled that all members should develop their IAPs for 2001 in accordance with the new format and submit them via SOM Chair to the Ministerial Meeting in October.

16. Ministers emphasized the importance of disseminating and demonstrating APEC’s outcomes in pushing forward the process of trade and investment liberalization and facilitation, and welcomed the progress made in promoting the E-IAP system so far.

**Collective Action Plans (CAPs)**

17. Ministers welcomed the progress made in improving collective action plans by various APEC fora and were encouraged by the 2001 Forecast on Possible TILF Deliverables. Ministers instructed officials to continue work with a view to making concrete achievements through concerted efforts for reporting to the Ministers and Leaders meeting in October.

18. Ministers welcomed the progress in the preparation of the 2nd APEC Investment Mart to be held on 9–15 June in Yantai, Shandong Province of China, which would create business opportunities in the region. Ministers encouraged members to actively participate in the Investment Mart and its future sessions.
19. Ministers appreciated Russia’s offer to host the next Investment Mart and the Investment Symposium in September 2002 in Vladivostok, and Thailand’s offer to host the 4th Investment Mart during the Leaders’ Meeting in 2003.

**Review and Improvement of Osaka Action Agenda (OAA)**

20. Ministers reaffirmed APEC’s resolve to achieve the Bogor goal through concerted efforts. While acknowledging the historical status of the Osaka Action Agenda (OAA) as APEC’s roadmap towards the Bogor goal, Ministers also stressed the importance of keeping it updated so as to adapt to the changing environment of the Asia-Pacific region and the greater world economy, and to reflect the concerns and expectations of the business sector. Ministers noted the substantive progress made to date in updating the OAA guidelines. Building upon the areas where agreement has been reached, Ministers instructed officials to finalize the work for reporting to the Ministerial Meeting in October.

**Trade Facilitation**

21. Ministers stressed the significance of trade facilitation for reducing costs of doing business in the region and reiterated that trade facilitation must remain a priority issue on the APEC agenda. Ministers endorsed a set of Principles on Trade Facilitation developed by the task force led by Hong Kong, China, and instructed officials to continue to develop capacity building programs to assist members in implementing the principles on a voluntary basis. (The APEC Principles on Trade Facilitation are attached hereto as Annex B). In that light, Ministers welcomed the work overseen by Canada on assessing the benefits of trade facilitation and the development of recommendations for an integrated APEC Capacity Building Program for trade facilitation. Ministers also recommended including the Principles in APEC’s outreach work to the business community. In addition, Ministers also noted the importance of adopting the revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures by member economies.

**Regional Trade Arrangements and Free Trade Agreements**

22. Ministers exchanged views on various forms of existing or emerging regional trade arrangements and free trade agreements in the region, and reaffirmed the importance for sub-regional and bilateral trade agreements to serve as building blocks for multilateral liberalization in the WTO. Ministers affirmed that the existing and emerging regional trading agreements should be consistent with WTO rules and disciplines. Ministers also believe that these arrangements should be in line with APEC architecture and supportive of APEC’s goals and principles. Ministers emphasized the importance of exchanging information on RTAs and FTAs to enhance transparency of these agreements. Ministers welcomed the Seminar on Sub-regional Agreements to be held in Bangkok on 12–13 June.

**Enhancing Economic and Technical Cooperation (ECOTECH)**

23. Noting the progress in reviewing and building upon Part Two of the OAA, Ministers requested Senior Officials to continue the work in accordance with Ministers’ instructions in Brunei and to present a complete report to the Ministerial Meeting in October. Ministers also commended SOM’s efforts in developing ECOTECH Action Plans (EAPs) as a useful tool for collating and benchmarking progress and encouraging further individual and collective actions in Eco-tech. Ministers called on member economies to submit their EAPs to the Leaders’ and Ministers’ meetings in October.

24. Ministers welcomed SOM Chair’s report on the progress of Eco-tech related work as well as the recommendations contained therein. Ministers also reaffirmed the significance of ECOTECH toward fulfilling the Bogor goal and promoting the continuous, stable and healthy development in the region in this age of globalization and growth driven by the new economy. Ministers welcomed the establishment
of the Human Capacity Building Coordinating Group and instructed it to enhance coordination among capacity building activities in various APEC fora. Ministers further requested the Group to develop a more concrete capacity building strategy including goals, priorities and principles, and report to Ministers and Leaders in October.

**APEC High-Level Meeting on Human Capacity Building (HCB)**

25. China and Brunei Darussalam presented a report to the meeting on the APEC High Level Meeting on Human Capacity Building held in Beijing on 15–16 May 2001. Ministers commended the event as exemplary of the tripartite partnership among government, business and education and training institutions. Ministers agreed that human capacity building should continue to be placed high in the APEC agenda. Ministers also recognized that the opportunities for result-oriented cooperative activities emerging from the meeting opened up new possibilities for individual and collective actions that will give greater impetus to the human capacity building programs within APEC. Ministers welcomed the Beijing Initiative on APEC Human Capacity Building, particularly the key elements identified for developing concrete, responsive and well prioritized strategies, which include, inter alia:

- Adopting better policy approaches that foster innovation and entrepreneurship;
- Promoting a broad distribution of the opportunities of the new economy;
- Encouraging engagement with all stakeholders;
- Strengthening education as the foundation of life-long learning;
- Seeking equal access and opportunity for women; and
- Facilitating the diffusion of information and communication technology through regulation and measures to enhance access and public confidence.

Ministers agreed that the outcomes of the meeting should be widely disseminated and followed up with specific individual or collective actions, in closer association with the business, education and training sectors. They also called on relevant fora to incorporate the outcomes into their respective work programs.

**Biotechnology**

26. Ministers took note of SOM’s report on the progress of biotechnology-related work and welcomed the research and studies conducted and proposals put forward by the Agricultural Technical Cooperation Working Group (ATCWG) including formulation of its implementation plan for the medium term. Ministers recognized the importance of safe introduction and use of biotechnology products, and agreed that the development and application of biotechnology should take into consideration WTO rules, as well as consumers’ interests in food safety and environmental quality. Ministers also encouraged close cooperation with other international fora and voluntary bodies, as appropriate, to enhance consumers’ awareness on the benefits and risks of biotechnology products to facilitate the realization of the potential benefits of this technology.

**New Economy and Electronic Commerce**

27. While reaffirming the significance of the new economy to the economic growth of the Asia-Pacific region, Ministers welcomed progress made by APEC on issues related to the new economy. In order to narrow the existing digital divide among member economies, Ministers emphasized the need to enhance economic and technical cooperation in various APEC fora and urged member economies to take effective actions.

28. Ministers welcomed the establishment of the e-APEC Task Force, commended its efforts made so far in formulating a visionary e-APEC strategy for building a digital society within APEC. Ministers instructed officials to expedite their work in this respect with a view to reporting the result of the work to the Ministerial Meeting and Leaders’ Meeting in October. Ministers called on all relevant APEC fora and
lead economies to provide inputs to and cooperate fully with the Task Force to facilitate its work. Ministers called upon the Task Force to work closely with the private sector to identify specific concrete initiatives aimed at developing e-business. Ministers also noted the preparation for Chinese Taipei’s project “Transforming the Digital Divide into a Digital Opportunity” and looked forward to its successful implementation.

29. Ministers welcomed the progress made in the area of electronic commerce as well as its newly developed work program. Ministers further urged members to enhance their cooperation in this area, especially on capacity building for developing member economies.

30. Ministers congratulated China and Australia on the success of the APEC High-Level Symposium on Electronic Commerce and Paperless Trading on 9–10 February in Beijing, and welcomed the recommendations arising from the symposium. In particular, Ministers endorsed the initiative of developing APEC Individual Action Plans on Paperless Trading and welcomed Australia’s offer to draft a mock-up version as reference. Ministers also requested members to take early action in developing their own IAPs on Paperless Trading and if possible, to submit them to the Ministerial Meeting and Leaders’ Meeting in October. Ministers decided that the IAPs on Paperless Trading should be completed and reviewed by the MRT Meeting next year.

31. Ministers emphasized the importance of fostering communication, interaction and cooperation among the business sector, academia and government agencies in the field of electronic commerce. In this regard, Ministers welcomed China’s initiative of setting up a business-government dialogue mechanism and requested the Electronic Commerce Steering Group to further explore the initiative.

**Strengthening Market Functions**

32. Ministers recognized the importance of strengthening the functioning of markets in dealing with the vicissitudes of regional and global economies and in pursuit of sustained economic development. In this regard, Ministers welcomed the progress made in implementing market strengthening initiatives, including the Cooperative Initiative on Regulatory Reform jointly organized with the OECD, the Cooperative Framework for Strengthening Economic Legal Infrastructure, and the Cooperation Program in the Area of SME and New Business Support. Ministers also took note of Chinese Taipei’s proposal on the “Best Practices Guidelines for Entrepreneurship and Start-up Companies”. Ministers further endorsed the Menu of Options on Institutional Capacity Building, Corporate Law and Competition Policy and called for possible implementation.

33. Ministers also noted that in order to enhance the institutional and legal infrastructure of markets and to fulfill the need for human capacity building, consistent efforts should be made to reinforce technical cooperation among member economies. Ministers therefore requested officials to further develop the work program with particular attention to human capacity.

**Interaction with the Business Community**

*Dialogue with ABAC*

34. Ministers welcomed ABAC’s report and took note of its theme, which stressed the importance of continuously promoting trade and investment liberalization and addressing the imbalance in the development process. Ministers also expressed their appreciation for the progress of ABAC’s work and instructed officials to review ABAC’s recommendations for appropriate action.

*Automotive and Chemical Dialogues*

35. Ministers noted the achievements to date in the Automotive Dialogue. Ministers welcomed the efforts by the Dialogue to develop its future work and the opportunity for governments to consider the industry
recommendations where appropriate. Ministers also welcomed progress made in the preparation of the Chemical Dialogue and anticipated tangible outcomes coming out of the event.

Statement by Observers

36. Ministers noted observers’ statements and expressed their appreciation for the observers’ active participation in and valuable contribution to the relevant areas of APEC work.

Other Business

37. Ministers welcomed a report on preparations for the upcoming APEC Youth Festival/Young Entrepreneurs Forum jointly organized by China and Canada and to be held in Beijing and Shanghai on 9–14 July 2001.

38. Ministers welcomed Mexico’s offer to host the next MRT meeting in June 2002.
Annex A

List of Capacity Building Projects Related to the Implementation of WTO Agreements under the APEC TILF Funds

- APEC/WTO Capacity Building: GATS basic Telecommunications Training Program;
- SCCP Program to improve Implementation of Custom-related WTO Agreements;
- Capacity Building: GATS Financial Services Agreement Training Program;
- APEC/SCSC Training Programmes on Standards and Conformity Assessment;
- Seminar on WTO TRIMS Agreement Implementation: Capacity Building for a Better Investment Environment;
- APEC/WTO Capacity Building: WTO Overview of Negotiations Agreement; and
- Facilitation of Developing Economies Participation in WTO Industrials Seminar.
APEC PRINCIPLES ON TRADE FACILITATION

Reaffirming the key importance of trade facilitation in achieving the Bogor goal of free and open trade and investment in the Asia-Pacific, in providing significant benefits for both governments and business, and in generating welfare gains for the economy as a whole;

Recognizing that APEC’s trade facilitation work plays an important role in improving business conditions in the region by creating a climate that increases trading opportunities and helps business, including SMEs, to save time and reduce costs;

Recognizing that in facilitating trade there should be sufficient, and no more burdensome or restrictive than necessary, compliance with legitimate policy objectives, such as protection of health and safety, and protection against unlawful activities, such as commercial fraud and trafficking in illegal goods;

Noting APEC’s unique approach in advancing trade facilitation goals on a voluntary basis and in a cooperative manner with the business sector through the process of individual and collective actions;

Recognizing and drawing upon the advances already made by different fora and sub-fora of APEC on trade facilitation, and taking into account trade facilitation work elsewhere (e.g. the World Trade Organization) with a view to avoiding duplication;

Noting that the development of a set of general principles on trade facilitation can provide a stronger focus for APEC’s future work on trade facilitation, add value to trade facilitation initiatives elsewhere, and assist policy makers and executors of APEC member economies in formulating and implementing trade measures which are pro-business;

Noting that trade facilitation generally refers to the simplification, harmonization, use of new technology and other measures to address procedural and administrative impediments to trade;

Recognizing that trade facilitation is relevant to both goods and services;

Recognizing that the development of trade facilitation principles is guided by the general principles of APEC in the Osaka Action Agenda;

Recognizing that the principles are non-binding and their implementation by each member economy is voluntary, taking into account the different levels of economic and technological development among APEC economies, and their diverse circumstances, including different legal frameworks, starting points and development objectives;

Recognizing the importance of technical assistance and cooperation in APEC and their relevance in the application of the principles by individual member economies in view of their different levels of development, and acknowledging APEC’s role in making available appropriate capacity building programmes to assist developing members in creating a more conducive business environment;

Recognizing that some specific elements relating to trade facilitation are also reflected in the existing WTO framework;

APEC endorses the following principles:
Transparency

Information on policies, laws, regulations, administrative rulings, licensing, certification, qualification and registration requirements, technical regulations, standards, guidelines, procedures and practices relating to trade in goods and services (hereinafter referred to as rules and procedures relating to trade) should be made available to all interested parties, consistently and in a timely manner, through readily accessible, widely available medium at no cost or a reasonable cost.

Illustrative Examples:

Making available to all interested parties up-to-date information on rules and procedures relating to trade through publications and electronic homepages, and launching publicity on these avenues.

Providing as much information as possible on rules and procedures, and details of enquiry points, in economies’ e-LAPs.

Communication and Consultations

The authorities should strive to facilitate and promote effective mechanisms for exchanges with stakeholders, especially business and the trading community, and stakeholders’ views should be duly taken into account in the process. Where appropriate, opportunities should be provided for consultation with stakeholders when formulating, implementing and reviewing rules and procedures relating to trade, and the authorities should make known their positions.

Illustrative Examples:

Setting up customer liaison groups to collect views of stakeholders on services relating to trade.

Consulting appropriate industry representatives, consumer group representatives and sectoral/professional bodies in developing regulations or standards — to increase the degree of confidence on all sides that the reasons for regulation are clearly understood, and to heighten the likelihood of compliance with measures once they are introduced.

Having discussions or dialogue sessions with stakeholders prior to formulating new rules and regulations related to trade.

Encouraging standing public-private sector dialogue and/or cooperative arrangements between Customs authorities and stakeholders, and setting up Customs inquiry points through the use of web-sites, help-desks and other avenues to communicate with stakeholders on Customs services relating to trade.

Simplification, Practicability and Efficiency

Rules and procedures relating to trade should be simplified to ensure that they are no more burdensome or restrictive than necessary to achieve their legitimate objectives, as well as practicable and applied in an efficient manner.

Illustrative Examples:

Minimizing documentation and procedural requirement and providing one stop shopping services or coordinating centres.

Providing expedited clearance for traders who have met the criteria specified by Customs, or implementing post audit clearance system.

With regard to the regulation of services sector, drawing from “best practice” case studies identified by APEC service-related fora.

With regard to border measures of assessing the conformance of commodities, following a published schedule, with a gradual
reduction in frequency (and costs levied on importers/exporters) to match a continuing good compliance record.

Streamlining processing of business visas and procedures for temporary residence of business people to improve business mobility in the region.

Non-discrimination

Rules and procedures relating to trade should be applied in a manner that does not discriminate\(^10\) between or among like products or services or economic entities in like circumstances.

Illustrative Example:

Charging foreign and domestic entities on an equal basis for trade facilitation services provided to them.

Consistency and Predictability

Rules and procedures relating to trade should be applied in a consistent, predictable and uniform manner with integrity so as to minimize uncertainty to the trade and trade related parties. Rules and procedures relating to trade should provide clear and precise procedural guidance to the appropriate authorities with standard policies and operating procedures and be applied in a non-discretionary manner.

Illustrative Examples:

Issuing rulings to ensure consistent and predictable administrative decisions.

Promulgating “performance pledges” (e.g. a pledge by the licensing authority to the public on the targeted maximum processing time of a licence application) to ensure consistent and predictable service standards.

Setting up a central body, such as Classification Centre/Unit, so as to ensure consistent and uniform interpretation and applications of specific rules and procedures in an economy.

Developing and using Codes of Conduct on Integrity that focus on areas such as impartiality and avoidance of conflicts of interest, and developing a strategic plan on the promotion of integrity.

Drawing on various themes as outlined under the Arusha Declaration of the World Customs Organization in the management of operations and personnel, including recruitment, training, internal staff control and retention of staff.

Harmonization, Standardization and Recognition

While accepting the need of economies to regulate or set rules for legitimate objectives such as protection of health, safety or public morals and conservation of exhaustible natural resources, regulations, rules and procedures affecting the acceptance of goods and services between economies and markets should be harmonized as far as possible on the basis of international standards where appropriate. The development of mutual recognition arrangements for standards and conformity assessment results, and continuing cooperation on technical infrastructure development, are encouraged. These can help reduce administrative and compliance cost of business in obtaining access to international markets.

Illustrative Examples:

Implementing the Revised Kyoto Convention which aims at facilitating trade through, inter alia, harmonizing customs procedures.

\(^{10}\) The discrimination refers to inconsistency with either the National Treatment or the MFN principle.
Implementing a harmonized system of customs tariff classification, WTO valuation system and the ATA Carnet System.

Standardizing to the fullest extent possible data requirements for procedures relating to trade by building on the work of relevant international fora.

Participating in APEC and other regional projects concerning the mutual recognition of professional qualification and registration, such as the APEC Registers of Architects and Engineers.

Where rules and procedures differ between trading partners, two trading partners, by mutual agreement, could perform an assessment on the outcomes which each of the two systems is aiming to achieve. As a result, agreement can be reached that there is sufficient equivalence of outcome to accept that assurances from one partner are adequate to satisfy the other’s needs, without the industry or authorities following every step laid down in the second partner’s law.

Modernization and the Use of New Technology

Rules and procedures relating to trade should be kept under review, and updated if necessary, taking into account changed circumstances, including new information and new business practices, and based on the adoption, where appropriate, of modern techniques and new technology. Where new technology is used, relevant authorities should make best efforts to spread the accompanying benefits to all parties through ensuring the openness of the information on the adopted technologies and extending cooperation to authorities of other economies and the private sector in establishing interoperability and/or interconnectivity of the technologies.

Illustrative Examples:

Developing advanced risk management and systematic cargo-profiling techniques by customs authorities with a view to minimizing physical examination yet maintaining integrity of customs control.

Developing Customs systems which cater for the submission of pre-arrival cargo information and post clearance audit systems.

Maximizing the use of information technology, such as computerization, electronic data interchange (EDI) and internet technology, improving the delivery of trade-related administrative services, including the use of secure on-line technology to facilitate certification procedures, and providing an environment for paperless trading, for instance, that stipulated in the APEC Blueprint for Action on Electronic Commerce.

Organizing technical assistance projects and experience sharing sessions on modern techniques and new technologies used.

Due Process

Access to due process should be available to stakeholders in seeking redress with respect to the implementation of rules and procedures relating to trade, in accordance with the applicable legislation of member economies.

Illustrative Example:

Introducing clear appeal provisions in the legislation.

Cooperation

The progressive introduction of measures conducive to trade facilitation is best pursued by close cooperation among government authorities and business and trading communities. Transparent, efficient and simplified trade facilitation processes necessary to an open trade regime are furthered by close cooperation and marked by open channels of communication and the exchange of information between both governments and business. Aside from business and government partnerships, governments should also work in partnership to focus on opportunities for increased cooperation including: integrated technical assistance and capacity-building; exchanges of best practices critical to implementing trade facilitation initiatives and the coordination of positions concerning topics of common interest discussed in the framework of regional and international
organizations.

Illustrative Examples:

Trade-related administrations to consult, engage and build cooperative partnerships with stakeholders in the international movement of commercial goods including customs brokers; express consignment industry; insurance providers; freight forwarders; shippers; warehouses etc.

Customs administrations or regional fora such as APEC (SCCP) to develop cooperative, capacity-building measures in custom-related areas such as, training; risk assessment; audit and verification frameworks; customs laboratories; and electronic exchanges of information.
APEC SMALL AND MEDIUM ENTERPRISE (SME)  
EIGHTH MINISTERIAL MEETING  

Shanghai, People’s Republic of China  
29–30 August 2001  

JOINT MINISTERIAL STATEMENT  

APEC Ministers and their representatives responsible for SMEs from Australia; Brunei Darussalam; Canada; Chile; the People’s Republic of China; Hong Kong, China; the Republic of Indonesia; Japan; the Republic of Korea; Malaysia; Mexico; New Zealand; Peru; the Republic of the Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam gathered during 29–30 August 2001, in Shanghai, the People’s Republic of China, for the 8th APEC SME Ministerial Meeting. The APEC Secretariat was present. The Pacific Economic Cooperation Council (PECC) and the Pacific Islands Forum (PIF) also attended as observers.

Ministers held a joint session with representatives from the Business Forum. Ministers welcomed the extensive involvement of SMEs and both sides welcomed this opportunity for dialogue and supported continued efforts toward producing mutually desired results. During the Ministerial Meeting, representatives from SMEs in the region held a concurrent Business Forum and Exhibition in Shanghai.

The theme of the Ministerial Meeting is “New Century, New Challenges: Innovation and Environment for SME Development”. Ministers held wide-ranging discussions on how APEC SMEs could best respond to the new challenges emerging in the new century with focus on the following three issues:

- Advancing Technological Innovation;
- Facilitating Financing; and
- Improving the Environment for SME Development.

Ministers welcomed the APEC Secretariat report on the extensive SME-related activities and action plans by the various APEC fora. Ministers agreed to further encourage various relevant APEC fora to consider incorporating SME-related activities into their work.

Ministers welcomed the report delivered by the Chair of APEC SME Working Group (SMEWG), and thanked SMEWG for its efforts in the past year in implementing directives of the 7th APEC SME Ministerial Meeting. Ministers endorsed the recommendations contained in the report, including the Proposal for the Interaction with the Business Community (Annex 1), in order to encourage enhanced and sustained participation of the business/private sector in SMEWG activities.

Ministers received a briefing by the lead economies on the following ongoing APEC SMEWG activities:
- Training and Certification Program of APEC SME Counselors (Canada/Philippines)
- Business Partnership Initiative (USA/Thailand)
- APEC SME Profile 2000 (Chinese Taipei/PECC)
- Cooperation Program for SMEs and New Business Support (Japan)

Ministers welcomed detailed presentations of the above projects and called for all economies to continue to support and enhance these valuable work programs contributing to human capacity building and information sharing to benefit SMEs across the Asia-Pacific region.

Ministers endorsed the SMEWG amendments to the related sections of Osaka Action Agenda (OAA), and directed SMEWG to continue to push for the implementation of relevant initiatives and activities. Ministers welcomed the decision to allow Macao, China to participate in SMEWG activities in the capacity of guest.
until the end of the year 2003.

Ministers welcomed the reports by ABAC Chair and ABAC SME Caucus Chair, and expressed appreciation for ABAC’s support and contribution to SME-related activities in the APEC region.

Ministers welcomed the statements made by PECC and PIF.

**New Challenges Facing the New Century**

In this world of accelerating economic globalization, advances in science and technology continues apace, and knowledge is recognized as a core competence in accumulating wealth. Technological innovation is a driving force behind social and economic development. And this in turn relies more and more upon new technologies, new products and new industries, as well as increasing linkages among industries, universities and research institutes. This is the new context and economic environment for SMEs.

This new environment has created favorable conditions for SMEs to develop in a broader range of fields and offered unprecedented opportunities, but also poses new challenges.

Ministers noted that the Asia-Pacific region had experienced a slowdown in its economic growth recently. Lackluster market demand, falling exports, and elements of instability in the financial markets, all combine to add to the uncertainty in the Asia-Pacific economic prospects, thus exposing APEC SMEs to a more complicated market environment.

Ministers pointed out that member economies have achieved notable results in addressing many of the difficulties confronting SMEs, such as the lack of access to information, technological disadvantages, financing problems, inefficient marketing and managerial skills. However, Ministers shared the view that economies must continue to address the priority issues of technological innovation, financing and human capacity building for the region’s SMEs to achieve long-term and sustainable growth. Ministers stressed the need to continue examining thoroughly the problems and obstacles that are faced by SMEs, especially micro-enterprises.

It is of vital importance to improve the efficiency and competitiveness of SMEs in the face of an increasingly globalized and knowledge-based economy.

**Advancing Technological Innovation through Cooperation**

Technological innovation is a central and perpetual theme in the development of SMEs. Ministers agreed that SMEs are a formidable force in the new economy and that their continuation to growth can be strengthened by increasing their innovative capacity. Ministers appreciated the full awareness of this fact among APEC member economies that have accordingly formulated their own strategies and policies for the development of science and technology, particularly information and communication technologies to advance SME growth and development.

Ministers noted that SMEs in traditional industries can also contribute to economic growth by introducing advanced and applied technology, to speed up the adjustment of the product mix and technological improvement, to expedite the industrialization of new high-tech products, and to support those SMEs that are technology-based, export-oriented and service-focused.

Ministers noted that some member economies have adopted measures aimed at fostering technological innovation and collaboration among industries, universities and research institutes. Examples include technology matching, open labs, incubators, as well as innovation clusters in the form of critical mass of skilled people, expertise, capital and entrepreneurial drive. Ministers called for further emphasis on the
linkages between industries, universities and research institutes, as this will ultimately help enhance the innovation capacity and competitiveness of SMEs.

Ministers appreciated member economies’ efforts to promote technological innovation by creating a favorable economic environment. In addition, the establishment of service centers for technological innovation and productivity centers, innovation incubators, and science and technological parks will benefit the technological innovation of SMEs by providing specialized services in technology, qualified personnel, information, finance and laws. This will also foster the innovativeness and innovation culture in SMEs and strengthen the protection of intellectual property rights.

Ministers recognized the need for further actions to increase the R&D input by SMEs through multiple channels. Ministers were pleased with the effective efforts made by some members in setting up funds for the benefit of technological innovation, patent applications, personnel training, as well as in establishing mechanisms for venture capital for technology.

Ministers welcomed broader and stronger exchange and cooperation in the areas of new technologies, new processes, new equipments and advanced management expertise in promoting optimization and upgrading of industrial structures, especially closer cooperation in high-tech industries, infrastructure projects, environmental protection and human resources development. This will benefit all concerned.

Ministers welcomed the new project “International Cooperation Forum on Innovative Management Skills” as proposed by Russia and encouraged all member economies to take an active part in this project so as to enhance exchanges and share experience.

**Facilitating Financing**

Ministers fully recognized the importance of financing to enable the sustainable development of SMEs. It was noted that the key factors affecting SMEs’ access to financing in the member economies include: lack of security and collateral, high costs of financing, limited sources of funds, few financing channels, inadequate financing institutions serving SMEs, the lack of management skills, and poor corporate governance standard in SMEs.

Ministers appreciated the actions taken by all member economies toward easing the financing difficulties faced by SMEs, where governments no longer directly provide funds for SMEs but instead assist SMEs to access to capital.

Ministers pointed out that venture capital is essential to the development of SMEs, especially in the ICT sector. Ministers decided that it is necessary to improve the policy and personnel exchange relating to the venture capital system and regulatory models, and that actions should be taken to set up an APEC-wide mechanism for sharing information on start-up companies, venture capital and capital markets with a view to facilitating the sharing of resources.

Ministers encouraged further improvements on the secondary boards catering to the needs of SMEs. Ministers recommended that a study be undertaken on the feasibility of harmonizing access thresholds across economies, as proposed by ABAC, while strengthening the information exchange and cooperation between regulatory bodies as well as between regulatory bodies and listed companies.

Ministers commended the efforts made by Chinese Taipei this year in addressing the issues of venture capital, start-ups and SMEs, as well as other related issues and facilitating member economies to share experience among themselves through the APEC Symposium on “Best Practices for Entrepreneurship and Start-up Companies” held in Taipei in August. Ministers looked forward to Chinese Taipei’s efforts on developing a Guideline for Best Practice in this regard.
To further the cooperation in the region on the finance facilitation for SMEs, Ministers instructed SMEWG to continue to enhance the policy dialogue and exchange of experience among APEC members in building a favorable financing environment, especially in the development of capital markets, for the start-up and development of SMEs. It is of particular importance for developed economies to share their lessons learned with developing members.

In addition, Ministers also attached special importance to women entrepreneurs and encouraged all economies to facilitate financing for them.

**Improving the Environment for SME Development**

Ministers recognized that the 21st century is full of opportunities as well as challenges. Therefore it is of vital importance for SMEs to learn to respond to this constantly and rapidly changing global environment.

Ministers reaffirmed that continued efforts should be made to create a better environment for the development of SMEs. They welcomed APEC ECOTECH Action Plans (EAPs) which outline individual and cooperative actions and are to be submitted on a voluntary basis annually to the APEC Ministers. The EAPs will be beneficial to the promotion of cooperation among SMEs.

Recognizing the importance of a better understanding of SME profile in the region, Ministers tasked the SMEWG to work further for the enhancement of the project: “1990-2000 Profile of SME in APEC”, and encouraged economies to submit the necessary information in order to facilitate the completion of the project.

A fair competition environment is a prerequisite for the survival and development of SMEs. There are successful experiences available in some members of APEC to demonstrate this. Nevertheless, continued efforts in strengthening regulatory policy environment, and in establishing rules and regulations conforming as far as possible to international practices are still required. Ministers further urged member economies to continue creating increasingly transparent policies and regulations in aid of the development of SMEs.

Ministers welcomed the US proposal for a Voluntary Visitor Program by APEC SME officials, as it would benefit the SME policy-makers in developing economies, and help them to better serve SMEs. Ministers instructed the SMEWG to facilitate early implementation of the program in 2002.

Ministers called for further application of ICT in SMEs, and for enhancing government’s support on e-commerce and for joint implementation of “Cooperation Program for SMEs and New Business Support” and for the continuation of the work with OECD, to bridge the Digital Divide that already exists among members, to improve the scientific management and decision-making skills in SMEs, and to apply ICT to procurement, sales and services as well.

Ministers appreciated the contributions made in this connection by the E-Commerce seminars and relevant research projects undertaken by Brunei Darussalam and Chinese Taipei in 2000 and 2001 respectively.

Ministers recognized that ICT provides an advanced means for SMEs to take advantage of the global markets. Ministers agreed in principle to the proposal of establishing an APEC SME Portal Hub and asked Canada, PECC, other interested economies and APEC Secretariat to work further on the proposal.

Ministers held initial discussions on PECC’s proposed “Scorecard for Entrepreneurial Environment” and urged for follow up.

Ministers also expressed appreciation for the contribution made by the APEC SME 2001 Conference on
Ministers recognized that it is imperative for SMEs to strengthen cooperation through multiple channels so as to reduce or eliminate the adverse impact from rapid changes in the marketplace. These include: cooperation among SMEs, vertical and horizontal alliances with larger enterprises and partnership with overseas companies.

Ministers believed that the evolving Business Partnership Initiative project led by the United States is making a major contribution to the establishment of business partnership program among SMEs in the Asia-Pacific region. Ministers expressed their satisfaction with the results achieved under the initial U.S.–Thailand Strategic International Alliance and Matchmaking Program. Ministers welcomed the update of new programs being launched with Singapore and other interested member economies.

Ministers recognized that building such support systems for SMEs is an indispensable assurance for the development of SMEs, and an important channel for SMEs to gain access to external resources at lower costs in the new environment.

Ministers welcomed the Training and Certification of SME Counselors program that involved 15 APEC economies with Canada and the Philippines as coordinating economies. They were supportive of the program becoming operational, and encouraged future similar programs to be initiated by governments in aid of the development of SMEs in the Asia-Pacific region.

Ministers were appreciative of the SME-related activities conducted by other APEC fora in other fields, and encouraged continued enhancement of interaction between appropriate fields and fora to contribute to the sustainable development of SMEs.

**Strengthening Capacity Building of SMEs**

Ministers supported the proposal put forward at the High-level Meeting on Human Capacity Building held in May 2001, in Beijing, and believed that it is important for all stakeholders, including governments, businesses and education/training institutions to work together and to get actively involved in the development and capacity building of human resources through the following channels:

1. to encourage the cultivation of entrepreneurship and enterprising spirit;
2. to step up input in training;
3. to encourage the participation of operating and management personnel from SMEs;
4. to strengthen education and foster a life-time learning system;
5. to seek equitable participation opportunities for women and
6. to promote application and dissemination of information technology through regulations and measures, and to expand the role of Internet in the development of SMEs and micro-businesses.

Ministers urged member economies to take follow-up actions actively to implement the Beijing Initiative for the benefit of SMEs with combined efforts by all stakeholders, including governments, academic and businesses and to pursue substantive results in human capacity building.

Ministers recognized that the new environment resulting from globalization and the development of New Economy has placed higher and more stringent demands on SME entrepreneurs and managers. In particular, the shortage of skills in technology, management and international trade has become an unnecessary hurdle hindering the development of SMEs. They recognized the continued need to build up the capacity of SMEs and to encourage young people and entrepreneurs to start up their own businesses.

Ministers welcomed the “Evolving Cooperation Initiative for SMEs and New Business Support”, and were pleased with the contributions made by Japan in the area of management and skills development for the past two years.
Progress of Integrated Plan of Action for SME Development (SPAN)

Ministers maintained that it is important for each member economy to promote SMEs having regard to SPAN, and hoped to promote the exchange and sharing of information and experience among member economies. Ministers welcomed the reports on SPAN progress delivered by China; Malaysia and Hong Kong, China during the two SMEWG meetings this year.

Ministers encouraged other member economies to report voluntarily on the progress of implementing SPAN on a periodic basis so as to share their successful practices and experience with all others.

Interaction with the Business/Private Sector

Ministers instructed the SMEWG to strengthen the contact and interaction with the business/private sector in routine work, including holding seminars on a non-regular basis, conducting in-depth surveys and questionnaires on SMEs, so that they can receive more government support and have their concerns and recommendations taken on board by government. Ministers looked forward to more active participation by business/private sector as appropriate in SMEWG activities, and future SME Ministerial Meetings and related events.

Ministers welcomed the recommendations delivered by the Women Leaders’ Network (WLN) Meeting and representatives from the Business Forum, and appreciated their positive contributions toward promoting the development of SMEs in the Asia-Pacific region (Annex 2 and 3), and instructed the SMEWG to study and implement the recommendations as appropriate.

Ministers were pleased to have had an interactive discussion with the delegates of the Business Forum. Ministers hoped that this kind of dialogue mechanism will be kept alive and further developed to better enable the voices from the business/private community to be heard, for a timely understanding of the problems and difficulties in their growth to be achieved, so that tailor-made policies can be formulated. Business representatives welcomed this opportunity to exchange views with Ministers at the joint session and other occasions arranged during the meeting. Ministers believed that the WLN, ABAC and the Business Forum should continue their close interaction with the Ministerial Meeting, and keep Ministers informed of developments on a timely basis.

Conclusion

Ministers hoped that APEC SMEs will embrace creative thinking and take innovative actions, build up the capacity in earnest to enhance efficiency and competitiveness. Ministers called for all member economies to continuously create and improve an enabling environment for SMEs while at the same time to promote the exchange among members. Ministers noted that this meeting was convened at a time when the New Economy and the accelerating globalization are exerting a more extensive impact on the economic development and business climate. Therefore, Ministers particularly stressed that member economies should strengthen cooperation and policy dialogue to attract as many businesses as possible into the APEC process.

Ministers thanked the Chair for his leadership during the meeting and also thanked the Chinese government and the Chinese people for their hospitality. Ministers looked forward to the next Ministerial Meeting to be held in Mexico in August 2002.
Annex 1

Proposal for the Interaction with the Business Community
13th Meeting of the APEC Small and Medium Enterprises Working Group (SMEWG)
Shanghai, China
27–28 August 2001

Proposals for the Interaction with the Business Community

Responding to the calls of APEC Leaders that “further dialogue with the private sector, at all levels, is essential to maintain the dynamism and relevance of APEC”, Brunei and People's Republic of China jointly propose the following initiatives to facilitate the more active involvement of the business community in the APEC process in relation to SMEs.

The following paper gives high consideration to five issues on SMEs participation in APEC activities:
7. The role of SMEs in influencing the formulation of policies;
8. Formation of mechanisms for SMEs better involvement;
9. Providing opportunities for SMEs to promote their business;
10. Providing a venue for SMEs to improve their knowledge and skills through participation in Human Capacity Building Programs of APEC;
11. Increasing involvement of SMEs in relevant projects across APEC fora.

Role in Policy Formulation

Starting from Osaka Action Agenda, APEC member economies have “recognized the importance for policy development of listening to SMEs and understanding their needs, to ensure that policy remains responsive and relevant, and will involve the business sector in activities under the SME Action Program.” Responding to the needs of SMEs, APEC SME Ministers have developed discussions with the business sector in recent years. These sessions ensure that policies are not only responsive and relevant to SMEs but are addressed in a focused and consistent manner by member economies in the SME Ministerial Meetings. In 1999, New Zealand, the business sector, through the interactive and joint sessions with SME Ministers, has presented their concerns at the ministerial level. This was continued in year 2000, in Brunei Darussalam, with the duration of joint session between SME Ministers and SME Business Forum extended to 2 and 1/2 hours. This practice was also followed by China in 2001 SME Ministerial Meeting. It is proposed that this mechanism be continued and further developed. It is believed that the interaction between ministers and SMEs delegates during the joint session is of prime significance to the success and sustainable development of APEC SME Ministerial Meeting. The flexibility and vigor of the APEC SME activities in large part rests on the substantial outcomes produced by the interaction session in which pressing issues of SMEs could be appropriately addressed.

Proposed Mechanism for SMEs Better Involvement

Attendance in Meetings. Considering that SME WG is the only APEC forum directly responsible to the SME Ministers, it is appropriate for the SME WG and SME representatives to jointly consider and deliberate SME concerns and issues in a physical meeting. Economies should be encouraged to send a representative from an organization that represents, either through a membership structure or other formal consultation mechanism, the broad interests of SMEs in their economy on a voluntary basis.

As stated in the Osaka Action Agenda (OAA), the duplication of work among APEC fora should be avoided. Hence, it's highly necessary to have an ABAC SME CAUCUS representative present at SME WG meeting to coordinate joint activities and to avoid duplications. With this in mind, the possibility for representatives of the SME Business Forum, which is usually organized in parallel with the APEC SME Ministerial Meeting, should also be considered. Ideally, the Chair of the Business Forum for the current year
should be welcomed in the SMEWG meetings. This would facilitate synergy of issues and continuity of agenda and programs.

**Virtual Discussion Forum.** Recent experience has shown that the Internet is an important venue for the exchange of ideas. A discussion forum on the Internet similar to that of APEC's AST WEB may be considered by SMEWG as a means of facilitating the work of the group before and after meetings. This could enhance the quality of physical meetings by reducing some of the routine agenda such as evaluating new, on going and proposed projects and allowing more time for discussion of policy issues and strategic targets. The Information Xchange feature of the Ecotech Clearing House ([http://www.apec-ecotech.org](http://www.apec-ecotech.org)) could be a starting point for developing a more interactive form of a discussion forum.

**Symposium and Field Trip.** It is encouraged that a SME symposium and a field trip be arranged at the sidelines of SME WG meeting. Hong Kong, China has demonstrated us a nice model in this regard. The holding of the symposium will present a great opportunity for WG delegates as well as local SME representatives to conduct a face-to-face exchange of ideas. The invitation of SMEs experts to the symposium will bring them the latest available know-how on the topics to their concern. Also development level of local SMEs could be well exhibited to WG delegates through paying a visit to the manufacturing site, thus, enabling them to have an eye-witnessed impression.

**Consultation with SMEs at economy level.** SMEs problems should be adequately addressed on a day-to-day basis. SMEs policy makers in APEC economies are encouraged to pay constant visits to grass-roots SMEs to listen to their voices to facilitate SMEs involvement in the policy making process. Intermediaries could as well serve as a good channel to reap feedback on policy issues from SMEs. Seminars, symposiums, etc. should be conducted irregularly with participants from both the administrative bodies and SME business community to focus on the urgent woes and needs of SMEs to keep policy makers well informed. Surveys targeting at SMEs are also recommended to aggregate the first-hand and real-time information for the reference of policy making.

**Widening Involvement.** One of the areas that could be strengthened is in widening the involvement of various groups in business, i.e. youth, women, micro-entrepreneurs. Some of the past meetings of the SME Ministers had events prior to and/or in parallel with the SME Ministerial Meeting. These include Young Entrepreneurs' Conferences, Business Forum and WLN. These three events had presented their respective outcomes during the Joint Session between SME Ministers and Business Forum. It is hoped that this could be continued and expanded in future SME Ministerial Meetings. Hence it is proposed that the formalization of this process be looked at, that these related SME events be part and parcel of the SME Ministerial Meeting agenda.

**Prospects for Expanding Markets**

Reviewing the past SME Ministerial Meetings, efforts had been made to use these meetings to expand the market prospects of SMEs through the trade events. This modality, while not unique, may be considered as a best practice in encouraging the participation level of SMEs in APEC events. An annual event whereby APEC SMEs physically meet, exchange views, contacts and showcase their achievements is a clear demonstration of APECs commitment to providing tangible benefits to the SME community. It is also a means of exhibiting APECs contribution in securing benefits to APEC SMEs.

**Prospects For Improving Skills And Knowledge.**

Many of APEC's previous projects took the form of Human Capacity Building Programs such as conferences, symposiums, seminars, workshops, trainings and dialogues. The participation of the SMEs in such programs could only increase their interests and understanding in APEC processes and increasing our interaction with them. Recommend deeper coordination of SMEWG with Chair or Lead Shepherds across APEC fora to better broadcast opportunities for SMEs to participate in these types of events.
**Getting Involved in Relevant Projects of the APEC Fora.**

There are 27 fora and taskforces in APEC, and while SME is a cross-cutting issue of many fora under APEC, it is proposed that SMEWG needs to identify those fora that have SME related issues in their agenda and network with them while acting as a coordinator for the participation of SMEs in the project of these other fora. This will not only give SMEWG information of the SME related projects that other fora are doing and thus reduce overlapping, but also ensure participations of the right and relevant SMEs and thus increase effectiveness and success rate of each project.

**Conclusion**

In its effort to achieve effectiveness in enhancing its outreach to the business community, this paper has suggested some approaches that may help in improving its interaction with the SMEs and/or their representatives and add value for SMEs when attending APEC sponsored or organized events. These approaches are in line with APEC Guidelines on Non-Member Participation.

Subsequently, as a result of further consultations between SMEWG Chair and relevant APEC fora also involved in developing and initiating SME related projects and activities, SME WG will inform the ESC Chair on cross cutting SME issues. ESC Chair will follow up as appropriate to the SOM.
STATEMENT AND RECOMMENDATIONS
WOMEN LEADERS' NETWORK MEETING 2001

Beijing, People's Republic of China
22–24 August 2001

We, the Women Leaders' Network, from APEC economies came together for the sixth time in Beijing, China on 22–24 August 2001, to reaffirm our commitment and our efforts to contribute to the economic development, cooperation and prosperity of the APEC region, and to strategize to meet challenges in the new century.

The theme of this meeting is “Challenges and Opportunities for APEC Women in the Process of Economic Globalization”. Under the theme, we discussed the following topics:

12. Women entrepreneurs and world markets
13. Partnerships with women-managed small and medium enterprises
14. Women's role in science, technology and sustainable development
15. Gender mainstreaming into APEC processes and activities

We re-emphasize the significant contributions of women to their respective economies. Sustainable economic development in the region has been vigorously promoted through the unprecedented courage of women in meeting the challenges of globalization. This has been accomplished through their efforts in seeking opportunities for employment, credit, technical training, commercial and trade cooperation, their use of science, improved and new technologies and, in particular, women's major role in small and medium enterprises.

We recognize the impact of economic globalization on women. Economic globalization creates opportunities for women to have increased access to the information, technology, knowledge and opportunities that expand channels for women's employment, promotes broader and more substantial participation in economic development, enables women to earn higher incomes, and improves the quality of life.

However, economic globalization also results in a significant number of women accepting poorly paid, unstable jobs and harsh working conditions, and increases their vulnerability to economic and sexual exploitation. Furthermore, it widens the digital divide and leads to women becoming more marginalized, thereby increasing the risk of poverty, particularly in rural areas.

We commend APEC leaders and Ministers for their consistent and continuing efforts in implementing the Framework for the Integration of Women in APEC as reflected in their policies and measures, including clear directives to SOM and working groups.

In addition, we commend the SOM Ad Hoc Advisory Group on Gender Integration (AGGI) on its significant contribution to women's increased involvement in the work of APEC. We applaud SOM and all APEC fora for their substantial support and efforts, and consider it vitally important that APEC Leaders and Ministers continue to support this work until effective gender integration processes are firmly established.

We re-affirm our commitment to work closely with APEC in their endeavors to achieve sustainable economic growth with equity, particularly through the implementation of the recommendations of WLN. In this regard, we offer our expertise and research, particularly in gender issues, to all APEC fora.
We recommend that APEC Leaders and Ministers:

**With regard to women entrepreneurs and world markets**
1. Measure the contribution of the economic activity of women both at the economy and APEC levels as a basis for sound policy-making.
2. Implement a regulatory framework that enhances women’s access to credit and widens market opportunities.
3. Ensure that economic and labor policies promote work and family balance and do not have a negative impact on women.

**With regards to the establishment of partnerships with women-managed small and medium enterprises (SMEs)**
1. Formulate policies that promote the continued growth of women-managed SMEs and their involvement in the economic development of the region.
2. Establish and strengthen partnerships between governments and the wider business community with women-managed SMEs in order to help them grow faster by providing access to information, networks, market, trade and intellectual property information.
3. Promote investments in women-managed SMEs, improve the channels of funding and remove any gender-related barriers that limit access to funds.

**With regards to women’s role in science, technology and sustainable development**
1. Support the continuation and expansion of the work of the Industrial Science and Technology (IST) Working Group to include:
2. The documentation of women’s role in sustainable development and the fields of science and technology, including indigenous technology, to ensure women receive their appropriate recognition, fair benefits and protection.
3. The promotion of continued and systematic updating of sex-disaggregated data concerning women in science and technology to be used as a basis in formulating science and technology policies and programs.
4. Encourage the use of Information and Communications Technology (ICT) in schools, at home and in the workplace.
5. Direct IST and Human Resource Development (HRD) Working Groups to work closely in promoting the participation of girls and women through the formal and informal educational system in science and technology.

**With regard to gender mainstreaming into APEC processes and activities**
1. Support the continued work of AGGI in fully implementing the Framework for the Integration of Women in APEC and their important preparatory work for the Second Ministerial Meeting on Women to be held in Mexico in 2002.
2. Ensure the appointment of a gender focal point for all APEC fora and support their work at economy and APEC levels.
3. Direct appropriate APEC fora to conduct substantive studies on globalization, the new economy and women for further policy considerations.

We applaud APEC Leaders and Ministers for their recognition of WLN’s unique role and contribution.

We thank the All-China Women's Federation, its co-sponsoring organizations and individuals for the success of this annual meeting.

We support the Republic of Mexico as Chair of the APEC WLN Meeting 2002 and as host of the Second Ministerial Meeting on Women 2002.
I. Executive Summary

APEC SME Business Forum and Exhibition was opened in the afternoon of August 27, 2001. On August 28-29, 2001, plenary sessions were held in the Auditorium of the Shanghai International Convention Center.

The Business Forum this year has received positive responses from business sectors of each member economies, experts, scholars, intermediary organizations and government departments. There were altogether 809 delegates participating in the Business Forum and Exhibition. Among them, 608 delegates participated in the Business Forum, 390 from People’s Republic of China, 218 from other APEC member economies.

In addition, this year’s Business Forum includes “SME Exhibition” (102 booths and 201 participants from 16 member economies) and “Business Talk” with estimated 150 participants for potential business transactions.

Members of Business Forum Presidium this year include the enterprise representatives from the hosting and other member economies, presiding over all the activities. They are 14 members, from Australia, Brunei Darussalam, People’s Republic of China, Malaysia, Mexico and United States of America.

The theme of the Business Forum was “New Century, New Challenges – Innovation and Development Environment”. There were three sub-themes, namely “Advancing Innovation”, “Facilitating Financing”, and “Developing Service Organizations”.

Based on the main theme and the three sub-themes, eight topics were focused on namely:
1. SME and Innovation;
2. Hi-tech Advances the Development of SMEs;
3. Challenges Faced by SMEs in the New Century;
4. Development Environment of SMEs;
5. Government and Intermediary Organizations;
6. Establishing Service Organizations;

34 speakers had delivered speeches in the Business Forum. The speakers came from 17 member economies namely, Australia; Brunei Darussalam; Canada; Chile; People’s Republic of China; Hong Kong, China; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Republic of Philippines; Russia; Singapore; Chinese Taipei; Thailand; and United States of America. Compared with the previous business forums, this year’s Forum has broader representations from member economies and a larger audience.

Key points generated from the presentations and discussions are summarized as following:
1. Continual innovation serves as the engine of growth for SME; innovation should be integrated into management systems and institutionalized throughout the organization. Not only confined to physical products or break-through technologies, innovation should include business processes, utilities, business models, etc.
2. Service can be a competitive edge for SME and governmental support in facilitating service industry development for SMEs is crucial; brand-building is important for SMEs for longer-term success.
3. IT resources are available for SMEs to compete with large firms on equal platforms; governmental
encouragement for investing in IT is necessary.

4. Recruiting, developing and retaining talents is still a challenge to SMEs, initiatives such as specialized training institutes, corporate universities, and retired executive coaching practices shall be supported.

5. Governmental cooperation and proper policies should be available to facilitate the cross-border transactions, partnerships, technology transfers among SMEs across the APEC region.

6. Governments, intermediary organizations and SMEs have their individual roles in business. But it is just as important that partnership exists and that they cooperate and foster a conducive environment for sustainable development of SMEs.

7. Translating this principle into strategies and action plans require leadership roles. This is clearly demonstrated in the case of New Zealand’s Chamber of Commerce that plays a pivotal role in assisting governments to define, assess compliance cost-effectiveness of new policies and regulations, Japan’s Chambers of Commerce and Industry that provide extensive support programs for SMEs including the provision of clear financial assistance (Maru-kei) to SMEs and entrepreneurship skill development in the form of Management Improvement Program and safety net to manage the impacts of business reform.

8. Government should only be a facilitator and supporter to help SMEs. We believe that striking a balance between maximum support and minimum intervention is the best way to enable SMEs to operate freely and contribute to the wealth of the economy.

9. SMEs should adopt environment-friendly technologies.

10. Human resources development is crucial for SMEs. Coordination among governments, universities, private sectors, industry and trade associations, should be emphasized. Promoting synergy in training resources and facilities should be encouraged.

11. SMEs have experienced difficulties in raising capitals for expansion. The loan requirements are normally insurmountable for many SMEs in terms of fixed assets, credit guarantees, and collectorals. A credit reference system, exampled by Hong Kong China, may serve a good initiative for government to help SMEs over certain challenges in obtaining funds.

12. Financing or access to loans is critical to most SMEs across APEC region; measures such as government credit guarantee, intangible assets as “mortgage” should be given considerations to facilitate SME financing needs.

II. Recommendations to the 8th APEC SME Ministerial Meeting

Based on the speeches and discussions in the plenary sessions in the Business Forum and upon the consensus of delegates of the member economies, Presidium of the Business Forum intended to recommend the followings to the 8th APEC SME Ministerial Meeting:

1. The APEC SME Business Forum 2001 recognizes the need to strengthen the effectiveness of the Business Forum Process together with the facilitation of communication channels and interactions between SMEs, policy makers and Ministers by enhancing and capitalizing on the role of the existing organizations.

Hence, APEC SME Business Forum 2001 moves to seek the Ministers endorsement of a structure that will comprise a rotational 5 Plus member council to include SME BF representatives from the past APEC host economies, the current SME BF chair and the future SME BF chair. It is expected that the BF Council would have representation in the existing APEC SME Working Group.

The functions of the SME BF Council are primarily focused on SME business continuity, convergence of themes, key issues impacting SMEs, together with the assessment and review of recommendations which form an input into the annual joint dialogue with the SME ministers.

2. APEC SME Business Forum 2001 reached consensus on the importance of a service infrastructure to support the sustainable growth of SMEs and the survival of start-ups. We recommend that the
governments of member economies help build “one-stop shopping” services/locations for SMEs to help SMEs grasp pragmatic issues such as business planning, marketing and branding, supply-chain management, cross-border partnerships and technology transfers. This type of service offering should consist of the following:

1. The establishment of virtual and/or non-virtual support systems/locations;
2. Government taking the lead in facilitating financing to assist SMEs in adopting technologies;
3. Coordinating and harnessing synergy among different resources and facilities;
4. Benchmark studies provided to member economies for continuous improvement in service offerings;
5. Human resource development to ensure continual growth of SMEs. Two examples of the form the development process may take are formal and informal educational centers or a retired executive coaching practice.
6. APEC SME Business Forum 2001 realizes the imperative of innovation among SMEs and recommends that we continue to hold an “APEC SME Technological Exchange & Exhibition” in China. We believe this new initiative will enhance the awareness and practical needs for SMEs in sharing and developing new technologies, products and services.
7. To share “best-practices” across the APEC region and realistically help those member economies in greater need for SME services, APEC SME Business Forum 2001 urges member economy to appoint one authoritative SME service organization to participate in a Service Alliance. China, as this year’s APEC host economy, will take the lead in 2002 by setting up a secretariat at the China Center for Business Cooperation and Coordination. The secretariat will coordinate with member economies to set up this process so that it can function on an ongoing basis.
EIGHTH APEC FINANCE MINISTERS MEETING

Suzhou, People’s Republic of China
8–9 September 2001

JOINT MINISTERIAL STATEMENT

I. Introduction

1. We, the Finance Ministers of APEC met for the eighth time in Suzhou, People’s Republic of China. Representatives of the International Monetary Fund (IMF), the World Bank and the Asian Development Bank took part in our discussions.

2. We convened under the policy theme of Growth with restructuring, stability and equity. We took stock of the latest global and regional macroeconomic developments and the policy challenges faced by APEC economies, and discussed the policy responses to promote sustainable growth necessary for increased prosperity in the region.

3. We agree that wide-ranging structural reform lays an essential foundation for macroeconomic stability and sustainable improvement in living standards. The work programs underway in the APEC Finance Ministers Process (as outlined in the Annex A) reflect our reform priorities in the medium-term.

4. In the year ahead, we ask our officials to focus their efforts on further strengthening collective understanding and capacity in policy areas that directly contribute to financial stability and sustainable economic growth in the region. We also ask our officials to look at ways to encourage greater economic cooperation, integration and openness among APEC economies.

II. Macroeconomic Challenges and Policy Responses

1. We note that the global economic environment is less favorable than when we met in Brunei Darussalam a year ago. The major world economies are experiencing a slowdown and forecasts for global growth have been revised downward. Reflecting this, most economies in the APEC region have experienced an economic downturn, with a slowdown in the IT sector, weaker financial market performance and, for many developing economies reduced capital inflow and foreign direct investment.

2. In the United States, the economy has slowed since the middle of last year. However, growth is expected to pick up towards the year-end, and long-term prospects remain favorable. Monetary and fiscal policies have been adjusted to stimulate the economy, including seven consecutive interest rate cuts and a significant tax reduction. These measures are expected to support growth while maintaining price stability. Monetary authorities have expressed a willingness to ease further if necessary. In Japan, economic activity has weakened and prices continue to decline. In response, monetary policy has been eased significantly under the new policy framework introduced in March. Further efforts are needed to implement financial and corporate sector reforms to facilitate the growth potential. The adverse short-term impact of reforms on growth should be minimized where possible. We welcome the recently announced structural reforms with these goals in mind. The Chinese economy, though affected by the global slowdown, has maintained its growth momentum, underpinned by domestic demand, supportive macroeconomic policies and restructuring. Reforms will be deepened to meet the challenges presented by China’s expected entry into the WTO. We note the uneven nature of economic performance elsewhere in the region, especially in the crisis-affected Asian economies. Those economies that rely substantially on external markets have been affected more seriously by the global downturn. Despite the unfavorable external market conditions,
we welcome that Korea has repaid its IMF loans which were drawn during the 1997 financial crisis, ahead of schedule.

3. Against this backdrop, we stress the importance for all members of the international community to take timely and appropriate policy actions to facilitate an early pick-up in global economic activity. We reaffirm our commitment to enhanced macroeconomic policy dialogue and cooperation to tackle the current economic difficulties, and to build a strong foundation for sustained and broad-based growth in the APEC region and the rest of the world.

4. We also emphasize the importance of continuing domestic structural reform to enhance economies’ ability to respond flexibly to shocks. We take note of the progress that has been made in several member economies in corporate and financial restructuring. However, we stress the need to fully resolve financial and corporate sector difficulties. These include the need for further strengthening of banking regulation and supervision, corporate governance, and financial disclosure, and measures to strengthen market disciplines on financial institutions and other corporate entities over the longer term. We acknowledge the need for creating a conducive environment for entrepreneurship, and promoting and broadening private sector development within the APEC community.

5. We welcome the progress of the work of the APEC Finance Ministers’ process, especially in the area of strengthening financial systems, improving economic and corporate governance, promoting e-finance, and developing adequate social safety nets. We resolve to continue developing the skills of banking, securities, and insurance regulators through policy initiatives under the Finance Ministers’ process. We have asked our officials to continue their collaborative efforts on policy initiatives and technical assistance in this area that add value to other international efforts and take advantage of APEC’s strengths (see Annex A).

6. Globalization is crucial to improving living standards. We stress the need for the public debate about globalization to be based on rigorous and comprehensive analysis of its impact. However, we recognize that too many people are still not participating in its benefits. We also resolve to address the challenges presented by globalization and to make sure that, by putting in place the right framework and policies, it works well for all of its participants, while continuing the policies that have led to greater prosperity, stability and equity for our region.

7. We pledge to strengthen our cooperation in narrowing the development gap within and among member economies to achieve sustained and equitable growth in the APEC region. We are committed to pursuing structural reform and well-managed liberalization policies, while seeking to ensure that the benefits of increases in productivity and growth reach all people. We place particular emphasis on well-targeted assistance to the poor and vulnerable through human resources development, particularly education, and capacity building. We stress the importance of development assistance to support sound domestic policies and poverty alleviation efforts. Such efforts will empower our people to harness the benefits of globalization and allow them to better cope with on-going changes.

8. Trade and investment liberalization and facilitation will increase investor confidence, attract capital to the region, stimulate growth, and reduce poverty. In this regard, we emphasize the importance of making progress towards the Bogor Goals of free and open trade and investment. In this context, we welcome and encourage further cooperation of customs authorities to promote trade facilitation without compromising enforcement.

9. We reaffirm our strong support for an open, equitable, sound and rules-based multilateral trading system. We welcome the continued efforts by the WTO to build consensus for further multilateral trade liberalization and strengthening of trade rules. We believe that these mechanisms will bring broad-based benefits to the global economy, including benefits to the disadvantaged. In this context,
we express our strong support for the launch of a new round of global trade negotiations at the Fourth WTO Ministerial Conference to be held in November in Qatar. We reiterate the Trade Ministers’ Statement on the need to facilitate the equitable and effective participation of all members and to work out in advance a balanced and sufficiently broad-based agenda as early as possible.

III. Strengthening the International Financial System

1. We welcome the important steps that have been taken in reforming the international financial architecture, and urge continued implementation of reforms. We stress the importance of broad participation to foster consensus on key aspects of the reform and to ensure ownership in the reform process among all economies, including in the development and implementation of international financial standards and codes. We welcome the efforts of the G-20 and the Financial Stability Forum in this area.

2. We underscore the importance of promoting financial stability and crisis prevention. We encourage further efforts at the national level to strengthen domestic financial systems and ensure greater consistency in domestic macroeconomic policies, and efforts at the international and national levels to strengthen global financial sector surveillance. We welcome the progress made and encourage further participation, on a voluntary basis, in the IMF/World Bank Financial Sector Assessment Program (FSAP) and Reports on Observance of Standards and Codes (ROSC) to strengthen financial systems by assessing economies’ implementation of key financial and economic policy standards. Voluntary disclosure of ROSC modules can serve to promote policy transparency. We emphasize that work to implement and assess compliance with standards and codes needs to take full account of each country’s unique circumstances, reform priorities, and institutional capacity. In this regard, we encourage prioritized and well-sequenced implementation of key standards by APEC economies, and urge focused and targeted technical and financial assistance where necessary. We also note the work underway to fight against the abuses of the international financial system and protect its integrity. We welcome the review by the Financial Stability Forum of the effectiveness and the progress in implementing the recommendations from the Working Group on Highly-Leveraged Institutions and the Working Group on Offshore Financial Centers.

3. We welcome the completion of a major review of IMF lending facilities and the efforts to make the Contingent Credit Line operational. We underscore the importance of continuing efforts by the IMF to further enhance the clarity and operational flexibility of its private sector involvement framework.

4. We urge continued efforts to enhance the effectiveness of the International Financial Institutions (IFIs). We support the work underway for the IMF to sharpen the focus on surveillance and crisis prevention and the Multilateral Development Banks (MDBs) on poverty reduction, and to strengthen coordination, transparency and accountability of their internal governance. We emphasize the importance of ensuring that representation on the IMF Board and IMF quota/share allocation appropriately reflects the current world economy. We encourage the IMF and the MDBs to continue efforts to further streamline and prioritize conditionality, improve national ownership, while ensuring that programs are of high quality and achieve meaningful results.

5. While recognizing the pivotal role of the IMF and other IFIs in promoting global financial stability, we agree that regional cooperation also has an important role to play. Cooperative regional financing arrangements designed to complement the resources provided by the IFIs in support of IMF programs can be effective in crisis prevention and resolution. In this regard, we welcome the recent developments in regional cooperation, in particular the substantial progress that has been made in implementing the Chiang Mai Initiative among the ASEAN+3 countries.
IV. Strategic Goals of the APEC Finance Ministers Process

1. We took stock of the APEC Finance Ministers’ process and assessed how the work of the process can more effectively complement the work of APEC as a whole and the efforts of other international organizations and fora. To this end, we have agreed to a set of strategic goals and modus operandi that build on the strengths of our process (See the Annex B). We believe our new framework will help guide and focus our work in a way that complements APEC’s overall vision.

V. Other Matters and Next Meeting

1. We welcomed the opportunity to have a dialogue with the APEC Financiers’ Group (AFG), the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC) and the APEC Economic Committee (EC), and value their contribution to our work. We note their recommendations with regard to economic growth, financial development, and corporate governance. We ask our Deputies to continue to work with private sector organizations to ensure that their perspectives are effectively reflected in our work programs.

2. We welcome the achievement made by our Deputies on strengthening closer links with the APEC Senior Officials Meeting (SOM) process and other APEC fora over the past year, and urge them to continue their efforts to ensure our work programs complement each other and avoid unnecessary duplication.

3. We would like to thank the people and Government of People’s Republic of China for the hospitality extended to all delegations and the excellent arrangements they have made to make the eighth APEC Finance Ministers Meeting a success.

4. APEC Finance Ministers will next meet in Los Cabos, Baja California Sur, Mexico, in September 2002.

VI. Annex:

1. Progress Report on the Policy Initiatives under the APEC Finance Ministers Process

2. Strategic Review of the APEC Finance Ministers Process
PROGRESS REPORT OF POLICY INITIATIVES

I. Voluntary Action Plan for Supporting Freer and More Stable Capital Flows:

At the 7th APEC Finance Ministers Meeting (AFMM) in Brunei, Ministers endorsed the VAP report on issues relating to capital account liberalization and strengthening financial markets and approved a programme of regular policy dialogues under Part 2 of the VAP. The policy dialogues are designed to promote an exchange of view on a range of policy issues relating to the promotion of financial stability and the creation of robust, open economies. In particular, they are intended to encourage and assist economies to implement international standards and codes. The first of these policy dialogues was held in Mexico in June this year, chaired by New Zealand and Mexico, focusing on issues relating to banking supervision. Of the 21 economies in APEC, 18 participated in the policy dialogue, together with a number of international financial institutions. A policy lessons paper, summarizing the main issues to emerge from the policy dialogue, was accepted by Finance Ministers in Suzhou. Consideration is now being given to a second policy dialogue under the VAP Part 2 programme for 2002.

II. Bank Failure Management:

Pursuant to the guidance from the APEC Economic Leaders in 1999, a collaborative initiative on Bank Failure Management was developed during 2000-2001 co-chaired by Mexico, New Zealand and Korea. Ministers acknowledged the policy lessons on bank failure management that were drawn from case studies prepared by participating APEC economies and from the policy dialogue on Bank Failure Management that took place in Acapulco, Mexico this past June. Based on the policy lessons, Ministers reiterated their commitment to promote financial stability through prudential regulation and supervision of the financial institutions. Ministers welcomed the future publication of the policy lessons as well as the construction of a web page for contact references on bank failure management that would facilitate the sharing of technical advice and assistance on these issues among APEC economies. Ministers recognized these efforts as an appropriate way for APEC to help reduce potential vulnerabilities in the banking sector.

III. Financial Regulators Training Initiative:

APEC Finance Ministers endorsed the Financial Regulators Training Initiative in May 1998 aimed at strengthen capacities of training programs of financial regulators in the region. Supported by the ADB, which established a secretariat in November 1998, the initiative has been steered by two advisory groups respectively for banking and securities regulators. Over 2-years period beginning in 1998, the Initiative developed guidelines and processes for training and a number of training programs for trainers as well as 4 regional programs were delivered. These programs have provided training to training managers from 19 economies covering 137 participants.

At the 7th AFMM, Ministers extended the initiative for two more years. The Phase II Action Plan was endorsed by both regulators advisory groups in November 2000. Under Phase II, for bank regulators, training programs focused on bank analysis and examination and market risk. Special modules were organized in these on integrated supervisory structures and methodologies, money laundering and regulators risk based on site supervision models. Materials on these courses are now available on CD-ROMs and videos.

For securities regulators, courses and study materials have been prepared for structure and operations of capital markets, financial products, and enforcement or securities regulation and investigation. In 2001, in additional to regional training programs, national dedicated programs were organized for Indonesia, China, and the Philippines. The advisory groups banking and securities regulators are to meet in September 2001 to evaluate progress in Phase II of the Training Initiative and its strategic direction for the remaining period.
until the Initiative’s expiry in October 2002.

IV. Managing Regulatory Change in Life Insurance and Pensions:

The life insurance industry has become an important component of financial systems in many APEC economies, and there is great potential for further growth. In addition, the private pension industry is poised to become an important part of savings in the region. This initiative, led by Australia, focuses on prudential supervision of the life insurance and pension industries, its goal being to encourage well-functioning industries in the region.

With solid support received from regional regulatory authorities, the private sector, and the ADB, this initiative runs for three years and includes 3 symposiums and 6 training courses for middle to senior level regulators. The first symposium was held in Manila on 23-24 November 2000. The first two training programs were held in Melbourne, on 5-17 March and 16-27 July 2001. The second annual symposium will be held in Beijing on 8-9 November 2001. It will bring together senior life insurance and pension regulators from the participating economies.

V. Strengthening Corporate Governance in the APEC region:

APEC Finance Ministers, at the 7th AFMM, noted that “sound economic and corporate governance will encourage the return of capital to the region” and tasked Deputies to undertake a policy dialogue on strengthening corporate governance in the APEC region in 2001. Co-chaired by New Zealand, Singapore and Mexico, a policy dialogue was held in Singapore on 7 April 2001. It examined implementation issues relating to corporate governance, in particular the policy responses and government action needed to create incentives for good corporate governance.

Ministers welcomed the report “Strengthening Corporate Governance in the APEC Region – Key Themes from the APEC Corporate Governance Policy Dialogue” which provides a summary of the outcomes of the policy dialogue, a brief description of the state of corporate governance in APEC economies, and poses options for future action in this area of work. Ministers also agreed to continue the work on this initiative, which will be carried forward by Mexico, the Republic of Korea and the Philippines in 2002.

VI. Insolvency Law:

This initiative, launched as part of broader context of corporate governance, aims to raise awareness of the importance of establishing and implementing strong insolvency regimes in the region. Under this initiative, a symposium named “Insolvency systems in Asia: an efficiency perspective” was held in Sydney on 29-30 November 1999. Indonesia hosted the second seminar of the Forum for Asian Insolvency Reform in Bali on 7-8 February 2001 which focused on five main issues: the establishment of a well-functioning insolvency system, the role of judges, the independence of judges, the establishment of specialized courts, and the role of out-of-court settlement.

VII. Company Accounting and Financial Reporting Task Force:

In their September 1999 Report to APEC Leaders, Finance Ministers endorsed actions “to promote sound financial systems by strengthening the quality of existing auditing and accounting standards, and moving towards the adoption of practices that meet or exceed international standards”. In line with its terms of reference, which were approved by Finance Ministers at the 7th AFMM, the Task Force, led by Australia, has considered issues related to promoting high quality internationally acceptable standards of accounting and disclosure and auditing practices by business enterprises, taking into account the needs and diversity of developing member economies. In April 2001, the Task Force further held a policy dialogue in Chinese Taipei to promote enhanced disclosure of non-financial information of related party transactions.
The ADB supported the development of background research used to assist the Task Force in the preparation of a final report to Finance Ministers. Ministers accepted the final report in Suzhou and encouraged member economies to raise awareness of the importance of robust financial reporting, accounting, auditing and enforcement practices supported by a sound legal, professional and regulatory infrastructure.

VIII. Supporting the Development of Credit Rating Agencies (CRAs) And Strengthening Disclosure Standards:

This Philippine-led initiative was launched at the 5th APEC Finance Ministers Meeting in Cebu. During the 6th AFMM, Ministers agreed that further work on the initiative was necessary and that it should contribute to the broader context of international financial architecture discussions, particularly in strengthening of transparency and disclosure standards for all market participants. Towards this end and to respond to APEC Economic Leaders’ request for a review of the practices of international rating agencies, Ministers tasked their Deputies to survey the codes of conduct and practices currently in use by various CRAs. The survey, supported by the ADB provides a basis for a better understanding of issues such as (a) transparency and accountability of the ratings process; (b) conflicts of interest; (c) credibility and reliability of ratings; and (d) unsolicited ratings. Ministers accepted the survey report, which includes the key findings and recommendations to promote an environment conductive to reliable ratings. The Philippines was tasked to convey this report to the CRAs.

IX. APEC Privatisation Forum:

This initiative, adopted at the 6th AFMM and led by Thailand, covered many issues stemming from privatization, including competition policy, regulatory reform, capital market improvements, employee relations, and corporate governance. Since then, the Forum has hosted three successful annual events. The 3rd Forum was held in Chinese Taipei on 25-28 June 2001. The theme of the Forum this year was “Managing Privatization Transactions”. Case studies were also presented by Indonesia, Chinese Taipei, Thailand, Germany, Italy, Chile, and Australia.

On the occasion of the 3rd Forum meeting, the Forum Secretariat considered the future directions of the forum. The delegates endorsed the continuation of the annual forum meeting and requested the secretariat to further analyze and develop the related issues such as sponsorship of the PF activities, closer coordination with OECD and the holding of additional small, regional roundtables. Further work will focus on the issue of post privatization monitoring.

X. Social Safety Nets:

In October 1999, the United States proposed an initiative to develop operational guidelines for social safety nets. Mexico later joined it as co-chair. A final report was prepared through a collaborative effort involving the IMF, the World Bank, the Asian Development Bank, and the Inter-American Development Bank, and was distributed to APEC economies at the November 2000 Leaders Meeting in Brunei and the May 2001 Finance Deputies Meeting in Washington D.C.

The report, entitled "Social Safety Nets in Response to Crisis: Lessons and Guidelines from Asia and Latin America” has been posted to the APEC Secretariat’s website.

The role of the APEC Finance Ministers process in this initiative is now complete. It is hoped that economies will find the guidelines useful as they put in place cost effective social safety nets.

Finance Ministers look forward to seeing the results of this work being used by the Ad hoc Task Force on Strengthening APEC Social Safety Nets under the SOM process.
XI. APEC Initiative on Fighting Financial Crimes:

At the 7th AFMM, Finance Ministers agreed that APEC should play a significant role in fighting against financial system abuse. Co-chaired by the United States and Thailand, a working group was established with the goal of strengthening anti-money laundering regimes in the region by identifying areas in which international bodies and agencies can provide the necessary training and technical assistance to enable jurisdictions to comply with international standards.

The Working Group identified three main areas for training and technical assistance (TTA) for APEC to promote based on responses to an APG self-assessment survey and recently completed mutual evaluations. The three main areas identified were Financial/Regulatory TTA, Legal Infrastructure TTA and Financial Investigations TTA. The group developed illustrative guidance to assist in identifying specific areas of assistance in which international bodies and agencies can work with government officials in APEC economies and to help governmental bodies and agencies determine the appropriate TTA needed. As the strengthening of bank regulation and supervision is a priority concern, the group recommended that APEC efforts concentrate on the financial/regulatory area, particularly in those jurisdictions that are now beginning to introduce anti-money laundering measures.

XII. Electronic Financial Transactions Systems:

At the 7th AFMM, Ministers endorsed the establishment of an APEC Working Group on Electronic Financial Transactions Systems, consisting of financial experts from member economies. The Working Group, which has been co-chaired by Japan and Hong Kong, China, had so far held three meetings, including outreach consultation with private sector representatives. It has drawn on work done by other relevant international fora as appropriate, and reviewed a wide range of issues on the development of electronic marketing and delivery of financial services and electronic payment and settlement of financial transactions. The Working Group has also conducted two surveys, one with member governments and the other with private sector entities in order to obtain a better understanding of the state of development of e-finance in APEC economies.

The Working Group did not see it appropriate for it to draw up mandatory standards or best practices, given the diversity of stages of development among APEC economies and possible duplication of work with other international fora. The Working Group would consider the preparation of guidelines and case studies on the development of e-finance, and encourage sharing of experience and technical cooperation. An interim report was submitted to the 8th AFMM in September 2001. The Finance Ministers acknowledged the progress of the initiative undertaken by the Working Group. The Working Group will examine the issues in further detail and present possible recommendations for promoting e-finance in the member economies and submit its final report to the AFMM in 2002.

XIII. APEC Future Economic Leaders Think Tank:

This initiative, launched by Australia at the 11th APEC Finance Ministers Technical Working Group Meeting in Beijing last December, aims at developing effective networks and promoting the exchange of ideas among the next generation of economic policy leaders. The Think Tank does not have a formal policy advisory role, but will report to Finance Ministers on the outcomes of its regular seminars focusing on economic issues of importance to the region.

The inaugural session was held in Sydney on 1-4 August 2001. The participants were middle-ranking to senior APEC officials from government financial institutions such as Departments or Ministries of Treasury, Finance, Central Banks and Regulatory Agencies who have been identified as people that are likely to play a significant future leadership role in their respective economies and institutions. One of the main themes of the Think Tank was the advent of the new economy and the issues and challenges it raises for APEC.
members, including corporate and economic governance. Ministers noted the submission of a strategic framework for financial and economic crisis prevention in the Asia-Pacific region stemming from the Think Tank discussions.

XIV. APEC Finance and Development Program:

In light of the rapid pace of globalization, capacity building is becoming a major theme of the APEC agenda. As the Asian Financial Crisis exposed the vulnerability and fragility of the financial sector of many APEC economies, there is a growing need for APEC to enhance human capacity especially in the financial areas. Echoing the growing need from many emerging economies, and responding to the call from the panel of independent experts last year in Brunei, Ministers agreed in Suzhou to launch a new program on Finance and Development. This initiative aims to strengthen capacity building in the APEC region, especially in the fields of finance and economic development.

This program will be led by the People’s Republic of China, with participation by interested parties from the public and private sectors of all the APEC member economies.
STRATEGIC REVIEW OF THE APEC FINANCE MINISTERS PROCESS

Introduction

At our meeting in Brunei Darussalam in September 2000, we agreed to review the strategic goals and modus operandi of the APEC Finance Ministers’ process in order to provide a stronger focus for the future work programme and to anchor it in APEC’s overall vision. We requested Deputies to conduct the review and report the results for our consideration when we met in Suzhou in September 2001.

Strategic goals

As part of the strategic review, we have agreed to a set of strategic goals for the APEC Finance Ministers’ process that complement the overall goals for APEC, as prescribed by APEC Leaders. These goals reflect the strengths and unique characteristics of our process. Our goals for the work of the Finance Ministers’ process are to promote sound and credible policies for:

- sustainable and broad-based growth with equity in the APEC region;
- good corporate governance and public sector management;
- stable and efficient financial markets;
- greater economic cooperation, integration and openness among APEC economies; and
- facilitation of economic and technical cooperation within the region in pursuit of the above goals.

Modus operandi

The ways in which we achieve our goals should reflect APEC’s unique characteristics, comparative advantages and limitations, such as the diversity of APEC’s membership, the voluntary nature of economies’ involvement and the limitations on resources to develop policy initiatives. In this context, we agree that the following ways are the most appropriate for the APEC Finance Ministers’ process to effectively and efficiently achieve its goals:

- encouraging understanding and implementation of policy reforms and international standards through the preparation of reports, seminars, workshops, training initiatives and policy dialogues;
- discussing and providing feedback to standard setting bodies on the development of international standards and codes;
- undertaking analysis in policy areas relevant to the strategic goals, where this is not being done elsewhere;
- maximising the opportunities APEC provides for high level political support for reform policies; and
- ensuring that private sector perspectives are integrated into the Finance Ministers’ process through effective collaboration and input from private sector groups.
FOURTH APEC HUMAN RESOURCES DEVELOPMENT
MINISTERIAL MEETING

Kumamoto, Japan
29–30 September 2001

JOINT MINISTERIAL STATEMENT

1. We, the Ministers responsible for human resources development in APEC member economies, met in Kumamoto, Japan, on September 29 and 30, 2001 for the 4th APEC Human Resources Development (HRD) Ministerial Meeting. We discussed the main theme – “Human resources development for both the advancement of society and economy and the sharing of prosperity with people in the context of globalisation”. The APEC Secretariat was present.

2. We recognize that the new economy provides many opportunities for further growth and development. In developing a human resources strategy for the new economy, we are now facing the challenges of an environment of slower economic growth and higher unemployment, as well as changes in industrial structure, demographics, skill requirements and forms of employment.

3. We recognize that government must work closely with a variety of partners to achieve effective and sustainable outcomes. This was noted at the APEC Ministerial Meeting in Brunei Darussalam in 2000 and the APEC High Level Meeting on Human Capacity Building in Beijing, China this year. At this meeting, we renew our determination to strengthen cooperative partnerships among stakeholders.

Acknowledging APEC Activities

4. We highly commend the APEC High Level Meeting on Human Capacity Building (HCB) and support the Beijing Initiative as providing opportunities for further work in HCB. The success of the meeting demonstrated the strength of partnership among stakeholders, which provided a deeper understanding of human resources in the new economy and opened up new possibilities for action. We recognize the launching of ECOTECH Action Plans on human resources development and welcome the work of the Ad Hoc Task Force for Strengthening Social Safety Net Activities. We call upon the Human Resources Development Working Group (HRDWG) and other relevant fora to take follow-up actions and incorporate the outcomes of these initiatives into their work programs as appropriate.

5. We commend the HRDWG for its achievements and the wide range of projects that were initiated in response to the priorities highlighted at the 3rd HRD Ministerial Meeting. We also commend the HRDWG for its work since that meeting to improve its operational efficiency, strengthen coordination with other APEC fora and achieve its mission.

6. We note the Framework for the Integration of Women in APEC and agree to intensify our efforts to foster gender mainstreaming in APEC activities. We reaffirm that gender mainstreaming and human resources development are closely related, cross cutting themes in APEC. We welcome the priority accorded to women’s issues by Mexico as host economy in 2002 and commend Mexico’s initiative to organize the 2nd APEC Ministerial Meeting on Women.

Labour Market for the New Economy

7. The new economy is impacting upon all of our economies, albeit in different ways and to varying degrees. We recognize that while the new economy creates unprecedented opportunities, it also presents challenges to businesses, workers, education and training providers and policy makers. Our task is to
better understand the forces that shape and drive the new economy, address the challenges that it presents to the workforce of the 21st century, and foster an environment which assures greater access to the opportunities generated, and more widely shared prosperity.

8. We continue to experience volatility in labour markets, brought about by the rapid shifts in economic conditions, technology, and industrial structure. These shifts can have a devastating effect on certain groups of workers. Labour market policies, employment services, and social safety nets must provide for a smooth transition from school-to-work, from work-to-work, from unemployment-to-work, and from work-to-retirement.

9. Labour market policy should be proactive in order to respond to the changing nature of jobs, family structures and workplaces. We affirm our support for policies which respect a work and family balance, and note that achieving this balance can pose particular challenges for women. As opportunities arise in new work arrangements, we will also seek to work with stakeholders, where appropriate, to promote competitiveness while protecting the interests of workers.

Knowledge and skill development to bring opportunity for success to all workers in the context of globalisation

10. A skilled and adaptable labour force is vital for sustained economic growth in the new economy. Collective efforts by all stakeholders are required to promote human resources development by increasing individual participation in lifelong learning and skills upgrading in response to the rising skills demands of the new economy. High levels of skill development will require economies to implement appropriate, comprehensive labour market policies, which must respond, in particular, to the imperative of narrowing the digital divide.

11. We agree that access to quality basic education and the development of basic literacy and numeracy skills are an essential foundation for further learning and skill acquisition. Individuals must engage in lifelong learning to promote sustained employability. Equally, workers and employers should be encouraged to invest in skill development and skill upgrading. In this connection, we affirm that workers’ skills should be recognized fully in the labour market. The development of skills standards within each economy contributes to effective skill development and economic performance. In addition, accurate, relevant labour market information developed in cooperation with employers about actual and prospective demand for skills and occupations can prepare individuals to benefit from the evolving employment environment.

12. Globalisation, technological change and demographic shifts suggest that investment in the training, retraining and development of employees is a priority for enhanced organizational performance, and to attract and retain workers. All organizations should be encouraged to become learning organizations as the workplace is a key component of lifelong learning systems. In particular, we recognize the need to provide micro enterprises and SMEs with ongoing training and capacity building opportunities. These opportunities should include training in financial and trading practices. This will bring about higher levels of productivity, quality and competitiveness for these enterprises and the community.

13. Even with globalization, many employment opportunities are often located in the local community. Skill development in the local community should be responsive to local needs and priorities. The community should be a focus in skill development activities.

14. In the face of the skills demand of the 21st century workforce, we must draw on the talents of all of our people – including those who may have been excluded from the workforce until now. Mobilizing people with disabilities, women, youth, older workers and indigenous people has become an economic and social imperative.
Involvement of stakeholders such as labour and business to develop human resources development strategies

15. The new economy and globalization place increased emphasis on strong and productive partnerships between all stakeholders in human resources development. Partnerships must be inclusive and incorporate both traditional HRD stakeholders of business, labour, government and the educational training sector as well as other stakeholders in the community such as workers, families, community and voluntary groups, and other organizations including international organizations, as appropriate. We recognize the importance accorded to stakeholders and partnerships in the Beijing Initiative and the Human Capacity Building Strategy for the New Economy currently being developed.

16. We hold that values such as mutual trust and responsibility, inclusiveness and respect for each other's perspective and contribution, are important in underpinning human resources development and the advancement of all people.

17. We recognize that the new economy will present many challenges for the workplace of the future and will require new approaches and levels of cooperation and dialogue between the key stakeholders for economies to remain competitive.

Closing

18. The new economy offers opportunities for raising the standard of living of people throughout the region. Our discussions made clear the importance of knowledge in the new economy as well as the increasing need for adaptability in the organization of work, in the labour market and in our policies. Cooperation and information sharing between economies is critical to bridging the digital divide.

19. We agree to the following priorities for the HRDWG, as it continues to confront human resources development issues in this context:
   - Addressing the growing skills gap and preparing our people to respond to the opportunities of the new economy through increased access to quality basic education, relevant market-driven skills training, retraining and lifelong learning;
   - Promoting efficient and equitable labour markets through policies and services that smooth the transition into jobs;
   - Maximizing our labour force potential by tapping underutilized pools of workers such as people with disabilities, women, youth, older workers, under-employed workers and indigenous people;
   - Increasing our collaboration with business, workers, educators and training institutions;
   - Building capacity to manage the transformation of our workplaces; and
   - Addressing the needs of informal sector workers and facilitating their participation in the mainstream economy.

Bearing in mind the numerous related activities underway in APEC, we instruct the HRDWG in addressing these priorities to aim to increase the complementarity of the various initiatives, seek to avoid duplication of efforts and enhance the sustainability of stakeholders' partnerships.

20. We note the ongoing work of the Human Capacity Building Coordinating Group (HCBCG) relating to the Human Capacity Building Strategy for the New Economy and support the continued collaboration with, and participation in the HCBCG by the HRDWG.

21. The statement of the 4th HRD Ministerial Meeting shall be called “The Kumamoto Statement.” We shall report the outcomes of our meeting to APEC Ministers and Leaders at their Meetings in October 2001 in Shanghai, China.
22. We express our sincere thanks and appreciation to the Government of Japan and the citizens of Kumamoto for their warm hospitality and the excellent arrangements for the meeting.

23. We look forward to further discussions on HRD issues at the 5th HRD Ministerial Meeting. We instruct the HRDWG to prepare for the next Ministerial Meeting.
Executive Summary

In light of the APEC vision and the theme of the work program for the year 2001, ABAC presents the following four key messages to Leaders:

- APEC economies must accelerate progress towards trade and investment liberalization as stated in the Bogor Goals. We encourage Leaders to instill the necessary sense of urgency and commitment to fully liberalize trade and investment in accordance with the Bogor Goals and we respectfully urge Leaders to instruct Ministers and Officials to achieve these.

- ABAC strongly advocates that APEC demonstrate its support for the launch of a new WTO round at the WTO Ministerial Conference in Doha in November.

- ABAC alerts Leaders to the impending threat of financial contagion. APEC should counter the current economic uncertainty with decisive measures to stimulate economic growth, and accelerate financial reforms. Economies need to ensure that international and regional financial architecture mechanisms are in place to deal with contagion. These should include key indicators recommended by the IMF aimed at providing early warning signals, and improved policy coordination.

- A balanced approach to globalization that combines market opening, capacity-building and full participation is essential because these three elements reinforce one another. Should any of the three be neglected, the globalization process would lose balance and the goal of common development could not be realized. Therefore, all three elements should develop hand-in-hand as an integral part of the APEC process.

To support these messages, ABAC calls upon Leaders to consider the following agenda for which full recommendations have been prepared:

- Accelerate banking and capital market reforms to align with international financial standards, improve corporate governance, and further liberalize investment and trade in financial services.

- Intensify capacity-building to promote financial system reforms to deepen markets through the development of domestic bond markets and credible credit rating agencies, strengthen risk management hedging mechanisms, and when viable, wider use of second board markets.

- Strengthen international and regional financial architecture by participating in:
  - Financial soundness indicators programs to improve surveillance measures.
  - Efforts to mitigate the adverse impacts of short-term capital flows, activities of highly-leveraged institutions and moral hazard.

- Encourage regional private-public partnerships in trade facilitation and capacity building as shown by the Shanghai Model Port Project.

- Encourage Leaders to take the opportunity of the Shanghai meeting to renounce the use of food embargoes and to urge their officials to adopt the other action items proposed by ABAC to assist in the implementation of the APEC Food System.

- Align standards and conformance through mutual recognition agreements and the adoption of international standards.

- Strengthen the accessibility and comprehensiveness of the Individual Action Plans (IAPs) to make them an essential means of measuring APEC’s progress and tools business can use to make strategic decisions.
• Address impediments to trade with emphasis on strengthening the enforcement of intellectual property rights (IPR) and removing barriers to foreign direct investment (FDI).
• Adopt policies that enable the widespread use of e-learning as a tool to develop skills and reduce the digital divide.
• Put more information and services of governments online to improve efficiency and access, and encourage private sector investment in information and communication technology (ICT).
• Facilitate one-window access to SME programs and services through the development of an APEC SME Portal, to provide information on financing, technology and new market opportunities.
• Adopt policies that are “small business-friendly”, with the assistance of a proposed Scorecard for Entrepreneurial Environment.
ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Es</td>
<td>Economic growth, Energy security and Environmental protection</td>
</tr>
<tr>
<td>ABAC</td>
<td>APEC Business Advisory Council</td>
</tr>
<tr>
<td>AEF</td>
<td>APEC Education Foundation</td>
</tr>
<tr>
<td>AFG</td>
<td>APEC Financiers’ Group</td>
</tr>
<tr>
<td>AFMM</td>
<td>APEC Finance Ministers Meeting</td>
</tr>
<tr>
<td>AFS</td>
<td>APEC Food System</td>
</tr>
<tr>
<td>AFTA</td>
<td>Association of South-East Asian Nations Free Trade Area</td>
</tr>
<tr>
<td>AGGI</td>
<td>SOM Ad Hoc Advisory Group on Gender Integration</td>
</tr>
<tr>
<td>AEI</td>
<td>APEC Leaders Education Initiative</td>
</tr>
<tr>
<td>AMM</td>
<td>APEC Ministerial Meeting</td>
</tr>
<tr>
<td>APERC</td>
<td>Asia Pacific Energy Research Centre</td>
</tr>
<tr>
<td>APII</td>
<td>Asia Pacific Information Infrastructure</td>
</tr>
<tr>
<td>APP</td>
<td>Advance Passenger Processing</td>
</tr>
<tr>
<td>APRCP</td>
<td>Asia Pacific Roundtable on Cleaner Production</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>ATCWG</td>
<td>Agricultural Technical Cooperation Working Group</td>
</tr>
<tr>
<td>CAPs</td>
<td>Collective Action Plans</td>
</tr>
<tr>
<td>CRAs</td>
<td>Credit Rating Agencies</td>
</tr>
<tr>
<td>CTI</td>
<td>Committee on Trade and Investment</td>
</tr>
<tr>
<td>EAPs</td>
<td>ECOTEC Action Plans</td>
</tr>
<tr>
<td>EBN</td>
<td>Energy Working Group Business Network</td>
</tr>
<tr>
<td>EC</td>
<td>Economic Committee</td>
</tr>
<tr>
<td>ECOTEC</td>
<td>Economic and Technical Cooperation</td>
</tr>
<tr>
<td>ECSG</td>
<td>Electronic Commerce Steering Group</td>
</tr>
<tr>
<td>E-FITS</td>
<td>APEC Working Group on Electronic Financial Transaction Systems</td>
</tr>
<tr>
<td>EGNRET</td>
<td>EWG Expert Group on New and Renewable Energy Technologies</td>
</tr>
<tr>
<td>EID</td>
<td>Emerging Infectious Diseases</td>
</tr>
<tr>
<td>ERF</td>
<td>Energy Regulators’ Forum</td>
</tr>
<tr>
<td>ESC</td>
<td>SOM Subcommittee for ECOTEC</td>
</tr>
<tr>
<td>ESCAP</td>
<td>Economic and Social Commission for Asia and the Pacific</td>
</tr>
<tr>
<td>FACTS</td>
<td>Facilitation, Accountability, Consistency, Transparency, Simplification</td>
</tr>
<tr>
<td>FSAP</td>
<td>Financial Sector Assessment Program (IMF/World Bank)</td>
</tr>
<tr>
<td>GATS</td>
<td>General Agreement on Trade in Services</td>
</tr>
<tr>
<td>HCB</td>
<td>Human Capacity Building</td>
</tr>
<tr>
<td>HCBCG</td>
<td>Human Capacity Building Coordinating Group</td>
</tr>
<tr>
<td>HRD</td>
<td>Human Resource Development</td>
</tr>
<tr>
<td>IAPs</td>
<td>Individual Action Plans</td>
</tr>
<tr>
<td>ICANN GAC</td>
<td>Internet Corporation for Assigned Names and Numbers Government Advisory Committee</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
</tr>
<tr>
<td>IEGBM</td>
<td>Informal Experts’ Group on the Mobility of Business People</td>
</tr>
<tr>
<td>IFAT</td>
<td>Implementation Facilitation Assistance Teams</td>
</tr>
<tr>
<td>IFIs</td>
<td>International Financial Institutions</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------</td>
</tr>
<tr>
<td>IPR</td>
<td>Intellectual Property Rights</td>
</tr>
<tr>
<td>IST</td>
<td>Industrial Science and Technology</td>
</tr>
<tr>
<td>IT</td>
<td>Information and Technology</td>
</tr>
<tr>
<td>ITA</td>
<td>Information Technology Agreement</td>
</tr>
<tr>
<td>ITS</td>
<td>Intelligent Transport Systems</td>
</tr>
<tr>
<td>IVANS</td>
<td>International Value-Added Network Services</td>
</tr>
<tr>
<td>MDBs</td>
<td>Multilateral Development Banks</td>
</tr>
<tr>
<td>MFN</td>
<td>Most Favored Nation</td>
</tr>
<tr>
<td>MRA</td>
<td>Mutual Recognition Agreement</td>
</tr>
<tr>
<td>MRT</td>
<td>Ministers Responsible for Trade</td>
</tr>
<tr>
<td>NTMs</td>
<td>Non-Tariff Measures</td>
</tr>
<tr>
<td>OAA</td>
<td>Osaka Action Agenda</td>
</tr>
<tr>
<td>OIML</td>
<td>Organisation Internationale De Metrologie Legale</td>
</tr>
<tr>
<td>PATA</td>
<td>Pacific Asia Travel Association</td>
</tr>
<tr>
<td>PECC</td>
<td>Pacific Economic Cooperation Council</td>
</tr>
<tr>
<td>PFP</td>
<td>Partners for Progress</td>
</tr>
<tr>
<td>PIF</td>
<td>Pacific Islands Forum</td>
</tr>
<tr>
<td>ROO</td>
<td>Rules of Origin Agreement</td>
</tr>
<tr>
<td>ROSC</td>
<td>Reports on Observance of Standards and Codes</td>
</tr>
<tr>
<td>SDCs</td>
<td>Skill Development Centers</td>
</tr>
<tr>
<td>SGES</td>
<td>Steering Group on Energy Standards</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
</tr>
<tr>
<td>SMEWG</td>
<td>Small and Medium Enterprise Working Group</td>
</tr>
<tr>
<td>SOM</td>
<td>Senior Officials Meeting</td>
</tr>
<tr>
<td>SPAN</td>
<td>Integrated Plan of Action for SME Development</td>
</tr>
<tr>
<td>SPS</td>
<td>Application of Sanitary and Phytosanitary Measures (Agreement)</td>
</tr>
<tr>
<td>SSN</td>
<td>Social Safety Nets</td>
</tr>
<tr>
<td>TBT</td>
<td>Technical Barriers to Trade (Agreement)</td>
</tr>
<tr>
<td>TILF</td>
<td>Trade and Investment Liberalization and Facilitation</td>
</tr>
<tr>
<td>TPTWG</td>
<td>Transportation Working Group</td>
</tr>
<tr>
<td>TRIPS</td>
<td>Trade Related Aspects of Intellectual Property Rights</td>
</tr>
<tr>
<td>TSA</td>
<td>Tourism Satellite Accounts</td>
</tr>
<tr>
<td>TTA</td>
<td>Training and Technical Assistance</td>
</tr>
<tr>
<td>UMAP</td>
<td>University Mobility in the Asia Pacific</td>
</tr>
<tr>
<td>UNEP</td>
<td>United Nations Environmental Program</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organisation</td>
</tr>
<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
</tr>
<tr>
<td>VAP</td>
<td>Voluntary Action Plan</td>
</tr>
<tr>
<td>WCO</td>
<td>World Customs Organization</td>
</tr>
<tr>
<td>WGTP</td>
<td>Working Group on Trade Promotion</td>
</tr>
<tr>
<td>WLN</td>
<td>Women Leaders’ Network</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
<tr>
<td>WTTC</td>
<td>World Travel and Tourism Council</td>
</tr>
</tbody>
</table>