

# Update of Activities within APEC

February 2001

# 1 Activities of APEC Fora

## The Committee on Trade and Investment

The Committee on Trade and Investment (CTI) was established by the Declaration on an APEC Trade and Investment Framework in November 1993.

The CTI coordinates APEC's work on the liberalisation and facilitation of trade and investment (refer to the *Bogor Declaration* 1994). It works to reduce impediments to business activity in 15 specific areas as outlined in the *Osaka Action Agenda (OAA)*: tariffs and non-tariff measures; services; investment; standards and conformance; customs procedures; intellectual property rights; competition policy; government procurement; deregulation; rules of origin; dispute mediation; mobility of business people; and implementation of WTO obligations. CTI also provides a forum for discussion of trade policy issues. Activities in CTI's 14 work areas are outlined under the relevant sections in the *Update*.

### Business and Private Sector Participation

The CTI engages in regular outreach efforts to business via the APEC Business Advisory Council and more directly through seminars, speeches, the Internet, publications, and media relations. The Pacific Economic Cooperation Council (PECC) regularly attends CTI meetings, providing analytical and business input. The private/business sector plays a key role in technical work areas (for example, standards and conformance) by providing specialised input.

### Achievements

During 2000, the CTI intensified its implementation and enhancement work on the Collective Action Plans (CAPs), making significant progress towards the OAA objectives and *Bogor* goals in response to Leaders'/Ministers' instructions (Major individual achievements are outlined under the relevant sections.) In addition, CTI:

- pursued all aspects of the work program on the Individual Action

Plan (IAP) review, including the development of the electronic prototype IAP (e-IAP) system; the review and development of OAA/improved guidelines for use by member economies to show how they intended to achieve *Bogor* goals; and the improvement of the peer review process;

- continued to play a coordinating role in carrying forward the work programs of the non-tariff elements of Early Voluntary Sectoral Liberalisation (EVSL);
- led the development of a strategic plan to build capacity in APEC to implement WTO agreements;
- progressed work on strengthening markets through the implementation of relevant elements of the Road Map; and
- intensified efforts in trade facilitation, including drawing up a list of core elements of the trade facilitation principles that would form the basis for further development of a set of APEC non-binding principles on trade facilitation.

### Next Steps

The CTI will continue to implement, improve and expand CAPs, as envisaged in the OAA.

In executing its 2001 work programme, the CTI will also give priority to:

- further consideration and development of the "list of discussed ideas for future NTMs work program" with a view to translating them into new CAPs;
- work on review and development of OAA for use by member economies to show how they intend to achieve *Bogor* goals;
- completion of the new CAP on IPR;
- completion of non-binding Principles on Trade Facilitation; and
- implementation of the Cooperation Framework for Strengthening Economic Legal Infrastructure.

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## Tariffs and Non-tariff Measures

Tariffs and Non-tariff Measures (NTMs) are two of the 15 specific areas under the CTI as outlined in the *Osaka Action Agenda* through which APEC member economies are working to eliminate tariff and non-tariff barriers to trade. Member economies are committed to creating a region of free and open trade and investment no later than 2010 for industrialised economies and 2020 for developing economies.

A new Market Access Group (MAG) was established in 1998 to handle the CTI's work on tariffs and NTMs.

The Collective Action Plans for Tariffs and NTMs require APEC members to keep the data in the computerised tariff database (APEC Tariff Database) up-to-date; pursue incorporation of information on NTMs into a future version of the APEC Tariff Database (TDB); compile a list of measures recognised as non-tariff impediments to trade; compile a list of products affected by those impediments; and identify industries in which the progressive reduction of tariffs and NTMs may have a positive impact on trade and economic growth in the Asia-Pacific region, or for which there is regional industry support for early liberalisation.

In February 2000, CTI instructed MAG to explore ways to broaden and deepen the collective action plans on NTMs, coordinate and follow the progress of the NTMs component of the EVSL, and contribute positively to the WTO's future negotiations on tariffs and NTMs.

### Business and Private Sector Participation

APEC member economies consult their private sectors regularly. Business views have been incorporated in the development of the TDB, which is sponsored by the private sector (Federal Express).

Business and academia provide important input to the CTI's work on tariffs and NTMs, particularly through the analytical work performed by PECC. Businesses that would like to become

more involved in the CTI's work on tariffs and NTMs should contact the APEC office in their member economies.

(See page 50 for member economies' contact information.)

### Achievements

- Consulted EVSL sectoral coordinators on NTMs identified through their respective sector's work programme, and developed a list of generic NTMs for MAG's consideration on progressing its NTM work programme.
- Discussed a follow-up work mechanism to progress EVSL NTMs work.
- Requested members to provide regular updates of tariff information as changes occur, and provide annual updates of trade and other agreed data to the APEC Tariff Database (TDB) Manager.
- Submitted contact details/website addresses to the APEC Secretariat for forwarding to the TDB Manager.
- Requested members to provide the WTO Secretariat with tariff and trade data annually in accordance with WTO obligations.
- Liaised with the WTO Secretariat on the possibility of conducting a second seminar on WTO Integrated Database in February 2001.
- Developed improved format for the tariffs chapter of the IAP for use as the e-IAP template for reporting progress on liberalisation in tariffs by member economies.
- Continued to update the website on Import Regulations.
- Developed improved format for the NTMs chapter of the IAP for use as the e-IAP template to enhance transparency of NTMs and for reporting progress on their reduction.
- Discussed ideas for future NTMs work programme. MAG will further discuss these ideas at its meeting in February 2001, and will amend the CAPs to reflect the new work programme.
- Reviewed the Terms of Reference of the MAG in both tariffs and NTMs

area with a view to providing clearer guidance on the roles and functions of the Group.

### Next Steps

- Undertake study in the tariffs area with respect to trade data and tariff information, including issues of particular interest to developing member economies, with a view to building capacity to participate in the WTO negotiations.
- Develop improved format for the tariffs chapter of the IAP for use as the e-IAP template for reporting progress on liberalisation in tariffs by member economies.
- Develop improved format for the NTMs chapter of the IAP for use as the e-IAP template to enhance transparency of NTMs and for reporting progress on their reduction.
- Undertake a stock-take of work in the NTMs area by various fora, including identifying types of NTMs, with a view to intensifying work on reducing NTMs.

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# 1 Activities of APEC Fora (cont'd)

## Services

The Group on Services (GOS) was established by the CTI as an informal subgroup in 1997 to address the TILF tasks in the area of services as mandated in the Osaka Action Agenda and instructed by Leaders, Ministers, SOM and CTI. Since 1997, the GOS has held 13 meetings, with the last one held in Bandar Seri Begawan, Brunei Darussalam on 17-18 September 2000. The current Convener of the GOS is Chinese Taipei.

In addition to the continuous progress on various CAP items, including information gathering and analysis, experience sharing and transparency, the GOS completed in 2000 the development of a broader policy framework for APEC work on services, which is a task commenced in 1999 pursuant to the mandate of the CTI. The Policy Framework to be adopted takes into account the crosscutting nature of service work and therefore facilitates better organisation of APEC services work and better coordination of APEC service-related fora/sub-fora.

To implement the Policy Framework, the GOS also accomplished Phase I of the "Menu of Options for Voluntary Liberalisation, Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment" in 2000, which presents a better organised framework for GOS' future work and also provides concrete elements for individual member economies to adopt for advancing of their services work.

### 1 Collective Actions Achieved

- Assisted the development of service chapter template for the Prototype Individual Action Plan (IAP), which will improve information gathering and analysis of the services section of IAPs after member economies start using the template to report their services IAPs.
- Implemented a project on the identification of measures affecting trade and investment in education services, with participation of volunteer member economies.

- Identified measures affecting trade and investment in service sectors other than education services, such as telecommunication services, tourism services, financial services and distribution services, through the process of case presentation by volunteer member economies as well as the process of consultations by the Convener with other service related fora for issues requiring the latter's expertise, e.g. consulting with the CPD, SCCP, and TPTWG for issues of air courier services.
- Held a Seminar of Statistical Reporting on Service Trade, which built up the partnership between services authorities and statistic authorities of member economies and complemented the international efforts to improve statistical reporting on service trade for more accurate assessment.
- Improved the understanding of the impact of the liberalisation of financial services, telecommunications, tourism services as well as services as a whole by voluntary experience sharing among member economies.
- Pursuant to CTI's instructions, supported the ongoing EVSL initiatives by completing the initial assessment on services component of the environment EVSL.
- Improved the dissemination of GOS activities-related information by better organising the contents of the existing GOS web page on the APEC Secretariat website, and providing useful links to other service-related sites, aiming to enhance transparency in services sectors.
- Supported the development of the possible APEC Trade Facilitation Principles by suggesting the elements to be incorporated therein for services trade, and organising a service-trade facilitation workshop to generate more valuable inputs.
- Monitored the development of the WTO negotiation on environmental services with an aim to assist the process where possible and appropriate.

- Contributed to the WTO's work on services as a whole by discussion of "innovation in services" and a Study on Possible Economic and Technical Cooperation in the Field of Trade in Services, both of which could enhance the capacity of developing member economies to compete effectively in the global service market and therefore promote their active participation in WTO service work.
- Developed a broader policy framework (*Policy Framework for Work on Services*) to strengthen APEC's work in the service area.
- Completed Phase I of the "Menu of Options for Voluntary Liberalisation, Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment."

### 2 New Collective Actions Agreed

- Implement the *Policy Framework for Work on Services*.
- Complete Phase II of the Menu of Options and develop a project to support Phase III of the Menu.
- Promote the use of service chapter template of the Prototype IAPs for services IAP reporting.
- Propose a study on the impact of service trade liberalisation on developing economies in this region.
- Build up APEC support for WTO's work/negotiations on services trade.
- Continue the ongoing work under existing CAPs, including improving the understanding of the impact of the liberalisation of services trade by voluntary experience sharing among member economies.
- Explore the possible best practices in innovation in services that could help build capacity in developing economies.

### 3 Benefits and Beneficiaries

The Policy Framework for Work on Services to be adopted will ensure that APEC's work on services, in pursuit of the *Bogor* goal and in compliance with the *O* delivers focused and outcome-oriented results in an effective and efficient manner. Meanwhile, the

Framework will build up closer inter-relationship among the GOS and the other service-related fora, which will integrate different efforts in advancing APEC services work and produce coherent services work programs for APEC. In addition, the Framework can provide the public with a clear and comprehensive picture of APEC's work in the services area.

The GOS' Menu of Options under development will better organise the GOS' current and future work and facilitate more efficient operation of the GOS. It can also facilitate the IAP process for it will provide concrete elements for individual member economies to adopt based on the needs of each economy, in advancing their work on service trade and investment.

The Project on the Identification of Measures Affecting Trade and Investment in Education Services will enhance transparency in the area of education services and also increase the understanding of the impact of liberalisation on such sector. As a result, government bodies, education services providers and recipients of education services can all benefit from the information and analysis provided in the outcome of the project.

The Seminar of Statistical Reporting on Service Trade increases dialogue between service trade and statistics authorities of member economies and promotes members' awareness of the importance of service trade statistics. It also increases transparency by directing the way to interpret services trade statistics in light of the limits current statistics have. Government bodies that are directly involved in statistics reporting and analysis as well as in service trade policy making, and the private sector, like service suppliers and consumers, will benefit from the seminar for its contribution to the international efforts towards better and more detailed services trade statistics.

The Study on Possible Economic and Technical Cooperation in the Field of Trade in Services will benefit

government officials, responsible for policy-making in the field of trade in services, in both developed and developing economies in the APEC region. The study can enhance the understanding of the technological development needed by developing economies in the APEC region for their service trade.

The 2000 Service Trade Facilitation Workshop was aimed at improving understanding of importance of facilitation in service trade and investment. It will also contribute to the development of APEC Trade Facilitation Principles.

All of the above collective actions also add "APEC value" to the WTO services work for their implementation. They either complement on-going WTO services negotiation, work in progress or increase APEC members' capacity for full participation in the WTO process.

Enhancement of information dissemination by improving and better utilising the GOS web page at the APEC Secretariat's website will increase transparency and make the information flow among members more efficient. The collective action can also facilitate the dialogue of the GOS and other service-related fora to improve coordination. In addition, the service industry and general public will also benefit as they can be better informed of the GOS work and therefore may provide feedback to GOS.

### Achievements

- Completion of the development of APEC Policy Framework for Work on Services.
- Implementation of the Policy Framework by holding the 1st Service Trade Facilitation Workshop in September 2000.
- Completion of Phase I of the development of the Menu of Options for Voluntary Liberalisation, Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment.

- Identification of Measures Affecting Trade and Investment in Education Services.
- APEC Seminar of Statistical Reporting on Service Trade.
- Study on Possible Economic and Technical Cooperation in the Field of Trade in Services.
- Enhancement of information dissemination by improving and fully utilising the GOS web page at the APEC Secretariat website.
- Addition of CAP item, that is, the Menu of Options for Voluntary Liberalisation, Facilitation, and Promotion of Economic and Technical Cooperation in Service Trade and Investment.
- Recommendation for possible inclusion into 2000 APEC Ministerial Declaration on APEC's contribution to the WTO services.

### Next Steps

For 2001, the GOS will endeavour to develop Phase II of the Menu of Options and continue contributing, where possible and appropriate, to the WTO's work on services, particularly in the on-going negotiation process.

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# 1 Activities of APEC Fora (cont'd)

## Investment

The Investment Experts' Group (IEG) is a sub-group of the APEC Committee on Trade and Investment (CTI). It was established in 1994 to bring together officials in the region involved in the regulation of foreign investment. Its main role is to assist the CTI in achieving the investment-related components of APEC's liberalisation and facilitation agenda.

### Business and Private Sector Participation

The IEG seeks views from the private/business sector about priorities for APEC's investment liberalisation and facilitation agenda through its annual Investment Symposium and Business Survey. Business people were also invited to participate in the 1st APEC Investment Mart held in Seoul, Korea in June 1999.

### Achievements

Major achievements in 2000 include:

- Held policy discussions to review the investment regimes of Papua New Guinea and Russia (March 2000); Brunei and Japan (May 2000); and Thailand (September 2000).
- Conducted the second/third phase of the awareness program for APEC investment/trade officials to understand and be informed of the various options for investment liberalisation and business facilitation.
- Conducted the 5th APEC Investment Symposium in China in March 2000.
- Initiated discussions on start-up companies and venture capital.
- Agreed to make cross-reference between IAPs and Menu of Options.
- Finalised the new e-IAP chapter format on investment.
- Developed the Menu of Facilities offered in a one-stop agency.

### Next Steps

- Organise the 6th APEC Investment Symposium in Korea in March 2001.
- Organise the 2nd APEC Investment Mart in China in June 2001.
- Consider updating and expanding the Menu of Options.

- Consider possible cooperation with the International Institute for Management Development (IMD) on surveying investment environments.

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## Standards and Conformance

The CTI Sub-committee on Standards and Conformance (SCSC) was established by the *Declaration on an APEC Standards and Conformance Framework* (November 1994).

The principal objectives of the SCSC are to: encourage alignment of members' standards with international standards; achieve mutual recognition among APEC economies of conformity assessment in regulated and voluntary sectors; promote cooperation for technical infrastructure development in order to facilitate broad participation in mutual recognition arrangements in both regulated and voluntary sectors; and ensure the transparency of the standards and conformity assessments of APEC economies.

### Business and Private

Sector Participation Representatives from Specialist Regional Bodies are invited to SCSC meetings, and business people also attend SCSC meetings. In 2000, SCSC has developed a work program on trade facilitation in information technology products in collaboration with the Information Technology Industry Council (ITI).

### Achievements

Highlights of TILF Outcomes in 2000:

- Endorsement of Principles and Features of Good Practice for Technical Regulation and Information Notes on Good Practice for Technical Regulation
- Adoption of a work program on trade facilitation in information technology products developed in collaboration with the ITI.
- Completion of a comprehensive review of progress on alignment with international standards in the four priority areas
- Review of the APEC Mid-Term Technical Infrastructure Development Program (to be completed by February 2001)
- The 3rd APEC Conference on Standards and Conformance (September 2000, Bandar Seri Begawan)

- Completion of APEC Expert-Trainers-Executives Workshops on International Quality Assurance System for SME Competitiveness and publication of the *Standards-Based Management for Enterprise Competitiveness Handbook*
- Publication of a research on food labelling laws, regulations and standards in APEC member economies.

### Next Steps

The SCSC will continue to implement and improve CAPs in the area of standards and conformance. SCSC's future work program includes:

- alignment work with international standards in the additional priority areas related to standards and guides on conformity assessment and management systems by 2002/2005 as well as safety of information technology equipment by 2004/2008;
- revision of the APEC Mid-Term Technical Infrastructure Development Program; and
- compilation of member economies' regulatory profile of the food/drug interface.

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## Customs Procedures

The Customs Procedures Group of Customs Experts was converted into a formal CTI Sub-committee on Customs Procedures (SCCP) in 1995. Its objective is to facilitate trade in the Asia-Pacific region by simplifying and harmonising customs procedures.

### Business and Private Sector Participation

Private sector representatives such as customs brokers, importers, exporters, freight forwarders and business people have attended the APEC Customs - Industry Symposia held annually since 1993.

The 1st Business Outreach meeting of 1999 was held in Wellington on 5 February 1999. It was organised by SCPP, the New Zealand Institute of Management, and the Wellington Chamber of Commerce. This event included a workshop on 'Future Customs Procedures throughout APEC'.

The Australian business sector is supporting the Sub-committee's Temporary Importation CAP. Federal Express has agreed to continue the sponsorship of the APEC Tariff Database.

Joint activities are carried out with the business/private sector to support SCPP's work programme, for example, on Temporary Importation.

### Achievements

The Simplification and Harmonisation of Customs Procedures initiative has already resulted in significant cost savings for exporters and importers. Among other outcomes, the SCPP is promoting risk management techniques to APEC Customs administrations to enable them to better target enforcement efforts and facilitate the movement of low-risk shipments and 'paperless trading' in the region.

### Other achievements include:

- The development of better tools for forging strategic partnerships with the business/private sector and exploring possible partnerships with the private sector to progress the work on its CAPs.

- About half of the SCPP's Collective Action Plan work programmes on important customs areas such as WTO Valuation, WTO TRIP Agreement (on border controls), Clear Appeals Provisions, Advance Classification Ruling, Temporary Importation and Express Consignment will be completed by this year.
- Peru, Russia and Viet Nam became full APEC members in 1999. In response to their needs, the SCPP is considering issues on timeframes and schedules for technical assistance for our new members.
- SCPP has included 'paperless trading' as a new work area for collective action. As electronic commerce rapidly spreads to all sectors of economic activity and regions in the world, the SCPP felt incumbent that it should build upon existing infrastructure and explore modern technologies to further lower transaction costs for business, including SMEs. The SCPP has also embarked on a timely task of developing an assessment approach to measure the effectiveness of its work programme, in particular its comprehensive technical assistance programme, which was first developed five years ago. In addition, the SCPP has developed plans to improve the levels of 'Integrity' in Customs Administrations, a collective action newly introduced last year.

### Next Steps

The SCPP will continue to implement and improve the Collective Action Plans in the areas of customs procedures. Future SCPP work programs include:

- Improving direct involvement of the business/private sector in SCPP activities.
- Publishing the *2000 and 2001 Blueprint for APEC Customs Modernisation*.
- Continue promoting and facilitating 'paperless trading.'

# 1 Activities of APEC Fora (cont'd)

## Customs Procedures (cont'd)

- Developing a proposed work program on 'Integrity' which was elevated to CAP status at the end of last year.
- Developing proposed *Best Practices Handbook on Express Consignment Clearance*.
- Development of an Assessment/Evaluation Approach to measure the implementation of SSCP CAPs and cargo release time.

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## Intellectual Property Rights

The Intellectual Property Rights (IPR) Experts' Group (IPEG) has carried out a work program since 1996 to achieve the planned Collective Actions as well as to enhance APEC-wide cooperation in the following areas: deepening the dialogue on intellectual property policy; surveying and exchanging information on the current status of IPR protection and administrative systems; studying measures for the effective enforcement of IPR; fully implementing the TRIPS Agreement no later than 2000; and facilitating technical cooperation to that end.

### Business and Private Sector Participation

The IPEG seeks views from the private/business sector about priorities for APEC's work on IPR through various symposiums. A contact list of public, business and private sector experts on IPR is available on the APEC Secretariat's website at <http://www.apecsec.org.sg>

### Achievements

- Key achievements of the IPR Experts' Group for 2000 included:
- Joint Statement on the WTO/TRIPS Agreement Implementation. The IPEG members agreed on the draft of the Joint Statement on the WTO/TRIPS Agreement Implementation and it was adopted with some modifications at the Meeting of Ministers Responsible for Trade held in June 2000.
  - Endorsement of the World Intellectual Property Organisation (WIPO) Joint Recommendation Concerning Provisions on the Protection of Well-known marks. Taking account of the proposal by International Trademark Association (INTA), the IPEG members endorsed the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-known marks and the text of Recommendation by APEC/IPEG concerning the Protection of Well-known Marks was agreed in March 2000.

- APEC/IPEG Separate meeting on IPR Enforcement. APEC/IPEG Separate meeting on IPR Enforcement was held to exchange information relating to IPR enforcement issues between the private and public sectors in July 2000.

### Next Steps

- A proposal for a range of best-practices for technical cooperation. Best-practice for technical cooperation will be sought to bring about full and sustained implementation of the WTO/TRIPS Agreement and ensure the development of the necessary skills in all APEC economies.
- Program on Public Education and Awareness. The IPEG members will undertake greater cooperation within the APEC region on the planning, development and delivery of public education programs concerning IP.
- Establishment of general guidelines for administrative system of trademarks, patents and copyrights.

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## Competition Policy

The globalisation of business has highlighted the importance of competition issues. APEC's objective in this work area is to enhance the competitive environment of the region. In November 1994, APEC Ministers agreed that the Committee on Trade and Investment (CTI) would develop an understanding of competition issues, in particular competition laws and policies of economies in the region. They agreed that CTI should learn how competition laws and policies affect flows of trade and investment in the APEC region and identify potential areas of technical cooperation among member economies. In 1996, the *Osaka Action Agenda* work programs for competition policy and deregulation were combined, in view of the linkages between the two issues. The competition policy/deregulation work area is a key component of work in the "Building Strong Foundations"/"Strengthening Markets" themes, promoted by the 2000/1999 APEC Chairs respectively. (*See the Deregulation update*)

### Business and Private Sector Participation

Business and academia provide important input to APEC's work on competition policy, particularly through the Pacific Economic Cooperation Council (PECC). Promoting dialogue with the business community on competition policy and regulatory reform remains a priority.

### Achievements

Six annual workshops have been held, covering issues such as approaches and exemptions to competition policies and law; technical assistance; linkages between competition policy and trade policy; objectives and mechanisms of competition policy; the interrelationship between competition policy and deregulation; regulation of national monopolies; occupational regulation; and regulatory reform. The 6th workshop was held in Bandar Seri Begawan, Brunei Darussalam from 27-28 May. The workshop included

presentations by Hong Kong, China; Japan; Korea; New Zealand; Peru; United States; and the delegate from PECC on effective ways to implement the APEC Principles of Competition and Regulatory Reform. It discussed this theme, noting the importance of working jointly with other APEC fora and sub-fora, the private sector and academia in the implementation of the principles.

In 2000, work focused on the implementation of the APEC Principles to Enhance Competition Policy and Regulatory Reform. The Principles provide a template for future work by APEC in developing competition policies and applying competition principles and frameworks across all sectors of APEC member economies.

The Group agreed on a Co-operative Initiative on Regulatory Reform with the OECD. The agreement is based on a series of related events in 2000 and 2001 that will focus on the exchange of information on good regulatory practices and concepts built around a common agenda established between APEC and OECD economies.

### Next Steps

- Work on Competition Policy for the next two years will focus on the implementation of the APEC Principles to enhance Competition Policy and Regulatory Reform, specific projects arising from the Principles as well as from the "APEC Competition Law for Developing Economies" study.
- To organise an Opening Conference and three workshops on competition and regulatory experiences to build-up domestic capacities needed for high-quality regulatory regimes. The conference and workshops will deliver a combination of technical skills and knowledge on competition and regulatory problems. They will provide forums for participants to share, exchange and discuss current developments and challenges related to competition policies and regulatory regimes.

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# 1 Activities of APEC Fora (cont'd)

## Government Procurement

The Government Procurement Experts' Group (GPEG) was established in 1995. The *Osaka Action Agenda* of November 1995 commits APEC economies to "develop a common understanding on government procurement policies and systems" and to "achieve liberalisation of government procurement markets throughout the Asia-Pacific region in accordance with the principles and objectives of the *Bogor Declaration*."

**Business and Private Sector Participation**  
Business people have attended GPEG educational programs.

### Achievements

The GPEG:

- Has completed a set of non-binding principles on government procurement (GP) based on the free-trade principles already embraced by APEC. These principles, endorsed by Ministers in Auckland in September 1999, include transparency, value for money, open and effective competition, fair dealing, non-discrimination, accountability and due process. In addition, the GPEG has developed practices illustrating how these elements could be implemented.
- Has contributed to the WTO's study on Transparency in GP by providing to the WTO information on APEC members' GP regimes, commitments on GP in their individual action plans, and APEC's views on several of the principles listed above.
- Has continued its educational programs with a February 1999 seminar, sponsored by New Zealand, on unilateral liberalisation of GP and use of electronic tendering; and a July 1999 workshop on GP practices sponsored by China. Earlier programs included a GP training program, a seminar on bid challenge systems, a seminar on existing international GP agreements, and a seminar on GP principles.
- Is updating the surveys member economies have completed on their government procurement systems

and their publication arrangements for GP opportunities. These are available on the APEC GP homepage (<http://www.apecsec.org.sg/govtproc/gphone.html>) along with other information about GPEG activities.

### Next Steps

Now that the GPEG has finished the full set of GP non-binding principles, GPEG members are reviewing their individual action plans regarding the consistency of their GP systems with the non-binding principles. Several economies have already carried out voluntary reviews before the GPEG, most recently New Zealand, Chinese Taipei, and Hong Kong, China. At the GPEG meeting held in Brunei Darussalam in September 2000, GPEG members also agreed that all members would voluntarily review their individual action plans with respect to the transparency meeting at the first GPEG meeting in China in 2001. Through this process, members are continuing to explore how best to implement the principles and voluntarily bring their systems into conformity with the principles. The Group will also continue its educational and information-sharing activities. It will also work more closely with other APEC groups, in particular the Electronic-Commerce Steering Group and the Small and Medium Enterprises Working Group, looking at a number of issues including paperless trading.

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## Deregulation

Unilateral deregulation by APEC economies makes an important contribution to trade and investment liberalisation and facilitation. Transparency in regulatory regimes and the elimination of trade-impeding or unnecessarily restrictive regulations are the key objectives of APEC work in the deregulation area. This work is undertaken by the Committee on Trade and Investment (CTI). In 1996, the *Osaka Action Agenda* work programs for Competition Policy and Law, and for deregulation were combined, in view of the linkages between the two issues. (See *Competition Policy update*)

**Business and Private Sector Participation**  
Business and academia provide important input to APEC's work on deregulation, particularly through seminars and the analytical work done by PECC. Promoting dialogue with the business community on deregulation is a key focus for the future.

**Achievements**  
The focus of the group remained on the promotion of information sharing and dialogue on deregulation issues through the annual Competition Policy and Deregulation Workshop. The group has also agreed to a Co-operative Initiative on Regulatory Reform with the OECD. The implementation of this joint program with the development of seminars will help enforce the Road Map initiative on "Strengthening Markets" through continued dialogue and sharing of experiences among economies from both fora dealing with the challenges of regulatory reform.

**Next Steps**  
Apart from fulfilling the on-going objectives of promoting information sharing and dialogue and increasing transparency in regulatory regimes, work will continue to focus primarily on the implementation of the APEC Principles to Enhance Competition

Policy and Regulatory Reform and specific projects arising from it.

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## Rules of Origin

The Rules of Origin (ROO) issue is covered by the CTI plenary. APEC member economies, through the CTI, will:

- gather information on APEC economies' respective rules of origin and develop a compendium of rules of origin for the use of the business/private sector;
- facilitate, complement and accelerate, in the short-term, World Trade Organisation/World Customs Organisation (WTO/WCO) work on harmonisation of non-preferential rules of origin; and
- study the implication of rules of origin on the free flow of trade and investment.

### Achievements

Members agreed to use the more detailed format guidelines for ROO approved in 1997 to report on implementation of the procedural obligations of the WTO agreement on ROO in a manner aimed at establishing a more transparent and predictable ROO regime.

### Next Steps

The CTI will continue its information exchange among member economies on rules of origin requirements, and assess APEC member economies' compliance with the procedural obligations in the WTO Agreement on Rules of Origin.

### Rules of Origin - Key Contacts

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## Dispute Mediation

Trade and other economic disputes have negative implications for the cooperation that APEC is designed to promote. APEC's CTI's work on Dispute Mediation aims to explore ways of cooperative dispute-solving. It focuses on government and private disputes, and on promoting transparency in laws and regulations as a means of dispute avoidance.

APEC regards WTO dispute settlement as the primary channel for solving disputes. APEC can have a role in helping to avoid disputes or resolve them through non-adversarial and voluntary approaches. At its meeting in May 1999, the CTI decided to realign work to enable the substantive work on dispute mediation to be carried out under the direct responsibility of the CTI Chair.

**Business and Private Sector Participation**  
Academics, lawyers, arbitration experts, mediators, and business leaders provide valued input to APEC's work on dispute mediation.

# 1 Activities of APEC Fora (cont'd)

## Dispute Mediation (cont'd)

### Achievements

- Agreement to maintain the *Guide to Arbitration and Dispute Resolution in APEC Member Economies* on the Internet.

### Next Steps

- Consider extending the Australia-Indonesia Alternative Dispute Resolution Pilot Project to other APEC economies over the period of July 2000 – June 2005.

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## Mobility of Business People

The *Osaka Action Agenda* of November 1995 commits APEC members to enhance business mobility by exchanging information on regulatory regimes, streamlining the processing of short-term business visitor visas and procedures for temporary residence of business people, and maintaining a dialogue on these issues with the business community. Australia is the Convener for business mobility.

### Business and Private

**Sector Participation**  
 The APEC Business Advisory Council (ABAC) has made facilitation of business travel a priority. The CTI's agenda on business mobility has been guided by ABAC's recommendations, and the Informal Experts Group on Business Mobility has informed ABAC of its progress. Business has also been closely consulted in development of the APEC Business Travel Card scheme and introduction of other APEC initiatives. The IEGBM Chair met with the ABAC Business Facilitation working group at the February 2000 ABAC meeting in Bangkok. Thailand and ABAC has been invited to attend IEGBM meetings.

### Achievements

#### APEC members:

- Have agreed in principle to adopt improved service standards for processing applications for and extensions of, temporary residence permits for executives, managers and specialists transferred within their companies to other APEC economies.
- Have collectively agreed to issue multiple-entry visas to frequent business travelers from other APEC economies and have acted individually to facilitate business travel, for example by expanding visa-waiver programs or extending the validity of multiple-entry visas.

- Have launched a technical cooperation program to help members implement advanced border management techniques.
- Maintained up-to-date information on their requirements for short-term business visas and temporary business residency permits in the Internet version of the *APEC Business Travel Handbook* (<http://www.apecsec.org.sg>). The Handbook also includes contact information on offices that issue visas across the APEC region.

Australia; Chile; Hong Kong, China; Korea; and the Philippines began implementing a trial of the APEC Business Travel Card scheme, which offers accredited business travelers visa-free travel and expedited airport processing when visiting participating economies. Malaysia and New Zealand joined the Business Travel Card scheme in 1999, while Thailand joined in February 2000, Peru in August 2000, and Brunei Darussalam in November 2000. This brings the current number of participants in the ABTC to ten. ABAC had called on APEC to increase the number of participants to 12 by year-end; although three new economies joined the Scheme, ABAC's target proved to be just out of reach.

### Next Steps

Members will begin implementation of their agreement to streamline processing of temporary business residency permits. Technical cooperation in 1999 focused on raising members' capacity to detect document fraud as a means to streamline entry for legitimate business travelers and a number of training sessions were undertaken in this regard by Australia; Canada; Hong Kong, China; and the US. Economies participating in these and other sessions included Brunei Darussalam; China; Chile; Indonesia; Korea; Malaysia; Mexico; Papua

New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; and Viet Nam. Similar training was offered in 2000, at a session held in the U.S. in August 2000 to discuss the standards essential for transparent and open immigration systems as well as the capacity building needed to implement them.

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## Implementation of WTO Outcomes

Since its creation in 1989, APEC has taken the position that it should build on the open multilateral trading system. Thus APEC Ministers and Leaders committed themselves to an early and successful conclusion of the Uruguay Round (UR), and agreed after its conclusion to carry out UR commitments fully and without delay.

The task in this area is to promote opportunities for training and exchange of views on and experiences of challenges and solutions related to implementation of the UR outcomes. The goal is full and effective implementation of UR outcomes within the agreed time frame, in a manner fully consistent with the letter and spirit of the WTO Agreement.

At its meeting in Christchurch in May 1999, the CTI decided to realign work to enable the substantive work on UR implementation to be carried out under the direct responsibility of the CTI Chair. Given the time which has lapsed since the conclusion of the Uruguay Round, the CTI further agreed to explore how work in this area could be further streamlined and re-organised for the mid to long term. In this regard, the CTI also agreed to rename the issue area as "Implementation of WTO Obligations" instead of "Implementation of UR Outcomes".

### Business and Private Sector Participation

The business/private sector has not been very active in the UR Implementation seminars and workshops. Member economies will consider further whether to hold periodic seminars with the business and private sector on UR Implementation.

### Achievements

- Development of a strategic plan to build capacity to implement WTO Agreements

- APEC Seminar on New Areas (Investment and Competition) was held on 23 August 2000 in Lima, Peru and the second seminar was held in November 2000 in the Philippines.

### Next Steps

CTI will consider developing a mechanism to implement and follow-up on the strategic plan to build capacity in APEC to implement WTO agreements.

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# 1 Activities of APEC Fora (cont'd)

## Early Voluntary Sectoral Liberalisation (EVSL)

In Vancouver, APEC Leaders agreed to early voluntary sectoral liberalisation (that is, liberalisation before the agreed goal of 2010 for industrialised economies and 2020 for developing economies) in 15 areas. They are environmental goods and services; fish and fish products; forest products; medical equipment and instruments; telecommunications mutual recognition arrangement (MRA); energy sector; toys; gems and jewelry; chemicals; oilseeds and oilseed products; food sector; natural and synthetic rubber; fertilisers; automotive; and civil aircraft.

The EVSL initiative is unique in that it envisages a three-track approach to liberalisation – including market opening measures, trade facilitation activities and economic and technical cooperation initiatives. APEC participating member economies decided that the tariff elements of the EVSL exercise should be negotiated within the WTO. With the decision to transfer the tariff element of EVSL to the WTO, work focused on the non-tariff measures, facilitation, and economic and technical cooperation components of the sectoral initiatives.

### Business and Private Sector Participation

Since the early stages of the EVSL exercise, Ministers have emphasised the importance of taking into account private sector interests. Member economies have consulted business in developing the liberalisation initiatives for each sector. In some sectors it is envisaged that the private sector would be directly involved in implementation, for example, in economic and technical cooperation activities.

In the automotive sector, an APEC Automotive Dialogue was established to serve as a forum for government officials and senior industry representatives to work together to map out strategies for increasing integration and development of the automotive sector within the region. The Dialogue met in Manila on 6-8 April 2000 for the second time

to address a comprehensive range of issues affecting the automotive industry. Participants reaffirmed that seeking a sustained recovery of the auto industry in the economies, seriously affected by the financial crisis, should remain the first priority for the Dialogue. It emphasised the need to develop practical measures to assist the industry achieve global benchmarks of quality, reliability and price competitiveness. A substantive work programme has been set in train, which will require close consultation with other APEC fora, particularly in the areas of customs, standards and intellectual property rights. The next meeting is scheduled to take place in Bangkok, Thailand on 3-5 April 2001.

### Achievements

- APEC has agreed to a proposal by the Asia-Pacific Chemical Industry Coalition (APCIC) to set up a Chemical Dialogue, in which senior government and industry representatives would meet regularly to discuss trends and challenges facing the industry, opportunities for expanding trade, non-tariff measures, facilitation and ECOTECH. The terms of reference for the Dialogue will be developed for CTI's review in 2001.
- The process of notification and cross-notification to identify non-tariff measures affecting the product sectors has been completed. A list of generic non-tariff measures has been compiled. A follow-up work mechanism to progress the EVSL NTMs is being undertaken by the Market Access Group, the designated focal point for organising the work on NTMs.
- Further progress was made in the implementation of non-tariff, facilitation and ECOTECH work programs of the EVSL. Several projects were completed. These include the APEC Seminar of the ISP Global Safety Standard, IS 8124; Seminar for Government Regulators/Harmonisation of Medical Equipment Regulation; APEC Gem

and Jewelry Trade; Technology Seminar; APEC 2000 International Jewelry Conference; and Seminar on public health issue in Animal Production/Animal Products.

### Next Steps

- The Committee on Trade and Investment to continue playing a coordinating role in carrying forward the work on the non-tariff measures, facilitation and ECOTECH elements in the 15 EVSL sectors.

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## Trade Facilitation

An *ad hoc* Task Force on Trade Facilitation was established under the auspices of CTI to pursue work in developing a set of APEC non-binding principles on trade facilitation in response to a Ministerial directive. Such principles are intended to assist policy-makers of APEC economies in formulating and implementing pro-business trade and investment measures.

### Achievements

The Task Force met twice in 2000, on 29 May and 18 September. It reviewed the work by member economies and relevant sub-fora in advancing the trade facilitation agenda. The Task Force has drawn up a list of core elements of the trade facilitation principles that would form the basis for further development of the set of non-binding principles itself.

### Next Steps

The task force will expedite its work with a view to making further substantive progress by mid 2001, including on implementation and technical assistance issues relating to the trade facilitation principles.

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## Economic Committee

The Economic Committee (EC) was established at the Sixth APEC Ministerial Meeting in Jakarta in November 1994, when the Ministers agreed to transform the Ad Hoc Group on Economic Trends and Issues into a formal policy committee. The Committee is responsible for research on economic trends and issues in the APEC region, and serves as a forum for member economies to exchange information and views. The Committee currently operates under the two guiding principles for its activities, as set out at the beginning of 1999. First, the Committee focuses on demand-driven work in support of APEC Ministers' and Leaders' meetings and policy-oriented work of other fora. The Committee's work addresses central economic issues of priority concern for Leaders and Ministers, and provides the analytical basis useful for advancing TILF and ECOTECH agendas. Second, the Committee aims at delivering high-quality research outputs by tightening its work program, in order to fulfil its core role as APEC's analytical body.

### Business and Private Sector Participation

The Committee makes efforts to reach out to the research community and businesses. Scholars, researchers, and businesspersons participate in the symposiums and seminars held under the auspices of the Committee as part of the implementation of its research projects.

Linkage with the APEC Study Centers is also important in fostering links with the academic/research community in member economies. The EC Chair was invited for the first time to the annual APEC Study Center Consortium Conference held in Auckland in May 1999 as a keynote speaker, and he was also invited to participate in its directors' meeting.

### Achievements

The Economic Committee prepared and submitted three major reports to the

Ministers' meeting in Brunei Darussalam in November 2000. These were the *2000 APEC Economic Outlook; APEC Economies beyond the Asian Crisis; and Towards Knowledge-based Economies in APEC*.

(1) APEC Economic Outlook  
The *Economic Outlook* has been tailored to serve APEC policy priorities. It is timed to be tabled annually at the Ministerial meeting. Its first part updates and summarises recent developments and short-term prospects of all APEC member economies, and its second part addresses topical structural issues bearing on priority themes of TILF and ECOTECH agendas. The Philippines coordinated the preparation of the *2000 Economic Outlook*. The *2000 Outlook* aimed to pursue the new thinking on regional trading agreements, or RTAs, and focused on how the new regionalism can best serve the goal of multilateralism. It reviewed the evolution of the analytical thinking on RTAs, with a view towards a framework that highlights the positive outcomes from the new regionalism, and explored policy measures and new areas of cooperation within APEC that can be taken under this new regionalism framework.

The 2000 APEC Economic Outlook Symposium was held in Manila in July 2000 as part of project implementation. It served as a forum for gathering views and inputs from academia, government officials, and international organisations.

(2) APEC Economies beyond the Asian Crisis (the "beyond-the-crisis" project)  
The beyond-the-crisis project was a two-year project started from the beginning of 1999. This project focused on long-term prospects of the APEC economies beyond the Asian crisis, highlighting key issues awaiting the APEC economies in the next few decades. Its value added for APEC was twofold. First, the project provided a vehicle for the APEC community to foster a sense of direction on the



# 1 Activities of APEC Fora (cont'd)

## Economic Committee (cont'd)

prospects of APEC economies and necessary policy actions. Second, it provided the analytical basis for refocusing and strengthening APEC cooperation activities.

This project was carried out as a collaborative task led by four lead economies: Japan (growth potentials and project coordination), Korea (trade and investment), Chinese Taipei (SMEs), and the Philippines (social policy).

The report emphasised the importance of capacity building in APEC economies to meet the challenges of future growth posed by the Asian crisis and the new economy. Priority areas of cooperation identified in the report that APEC needs to focus on included: strengthening markets, e-commerce and technology cooperation, entrepreneurship and SME development, education and life-long learning, and social safety nets.

(3) Promotion of Knowledge-based Economies (KBE) in the APEC Region In their Declarations in both Kuala Lumpur in 1998 and Auckland in 1999, Leaders underscored the importance of knowledge as a key driver of future economic growth, and pledged to ensure that APEC economies be at the forefront of efforts at building and sharing expertise in this vital area. The KBE project took on this challenge put forth by the Leaders. It aimed to provide the analytical basis useful for promoting effective use of knowledge, and to accelerate the creation and dissemination of knowledge among APEC economies.

The work, which was carried forward by Korea (coordinator), Australia and Canada, addressed following areas:

- 1 Assessment of knowledge infrastructure
- 2 Policy environment conducive to expanding the knowledge base
- 3 Possible areas of APEC cooperation for promoting knowledge-based economies

The report identified potential areas for cooperation in promoting KBEs in APEC, such as business environment, innovation systems, human resource development, and information & communication technology.

The report also made three specific recommendations for promoting KBEs. These were: (1) establishment of a KBE Clearing House; (2) generation of igniting policies for triggering the transition to KBEs; and (3) inclusion of KBE status indicators in the Economic Outlook. Detailed plans for their implementation will be developed.

Korea hosted the APEC Symposium on Knowledge-based economies in Seoul in June 2000, which served as an occasion to review the draft reports and also to solicit views from the scholars, academics, and government officials who participated.

The reports were well received by Ministers and their major findings were highlighted in the Ministers' "Joint Statement." All three reports are available on the APEC website.

Another major EC activity was the follow-up work on the EC's report on *"Impact of Expanding Population and Economic Growth on Food, Energy and the Environment (FEEEP)*. The EC's plenary meeting was used as an information sharing mechanism on the studies of agricultural trade liberalisation and reform policies.

### Next Steps

The EC will hold its first plenary meeting for the year 2001 in Beijing, China on 15-16 February. A new work program will be developed under the leadership of the newly-elected Chair. Regarding the *2001 APEC Economic Outlook*, Hong Kong, China is the coordinator for the preparation of the report. It will address financial development and its relation to economic growth in APEC economies.

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## Budget and Management Committee

The Senior Officials' Meeting (SOM) in September 1993 agreed to establish the Budget and Administrative Committee (BAC) to advise APEC Senior Officials on budgetary, administrative and managerial issues. The BAC assesses and makes recommendations on the overall budget structure, considers budget requests, drafts the annual APEC budget, and examines all questions relating to the APEC budget and budgetary processes. The BAC also monitors and evaluates the operations and overall performance of Working Groups/Committees and makes recommendations to the SOM for improved efficiency and effectiveness. Ministers in November 1998 re-designated the Committee as the Budget and Management Committee (BMC) with a view to strengthening the management of APEC projects.

### TILF Special Account

At the Economic Leaders' Meeting in Osaka in 1995, the members adopted an Action Agenda for the implementation of the Bogor commitment to achieve free and open trade and investment in the Asia-Pacific region no later than 2010 in the case of industrialised economies, and 2020 in the case of developing economies. As the member economies proceed to meet their trade and investment liberalisation and facilitation commitments, their efforts are enhanced through cooperative projects supported by APEC.

While respecting the individual efforts of member economies, Japan proposed at the Osaka Leaders' Meeting in 1995 to contribute, where necessary, up to 10 billion yen to the APEC Central Fund over the coming several years for use in appropriate cooperative projects formulated in support of trade and investment liberalisation and facilitation.

### Business and Private Sector Participation

As an internal administrative forum, the BMC does not have any direct

participation of the business and private sector at its sessions.

### Achievements

The BMC has performed the functions set out above. The BMC usually holds two regular meetings each year. These are supplemented, if necessary, by *ad hoc* meetings and decisions are taken interessionally by circulation.

From January to September 2000, the BMC:

- received the auditor's report on the 1999 accounts of the Working Central Fund;
- approved a number of urgent 2001 projects and welcomed mid-year savings to the 2000 Administrative Account;
- examined the progress reports and evaluation reports of ongoing and completed projects;
- reviewed both Operational Account and TILF Special Account procedures and adopted measures to facilitate the consideration and implementation of urgent projects;
- recommended lists of Operational Account and TILF Special Account projects for 2001;
- noted the forecast of the Operational Account for the coming four years and in view of the bleak outlook especially for year 2004, adopted a prudent approach for 2001, capping the total amount to be allocated to 2001 projects at US\$2 million, of which US\$0.5 million being set aside for urgent 2001 projects;
- recommended that members' contributions to the Operational and Administrative Accounts of the APEC Central Fund for 2001 should remain at the same levels as for 2000;
- invited Senior Officials' to note that without increasing members' contribution, a 2-million Operational Account budget may not be sustainable in the long run, especially during the years when the host economies are far from the Secretariat (for example, Mexico in 2002 and Chile in 2004);

- approved the issue of a revised edition of *Guidebook on APEC Projects*;
- made use of an access-controlled website to distribute the papers of the BMC meetings electronically, and for BMC members to exchange views on various issues before the meeting; and
- noted the variables which may affect the 2001 and 2002 Administrative Account budgets.

### Next Steps

The BMC will continue to perform its budgetary and management functions.

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# 1 Activities of APEC Fora (cont'd)

## ECOTECH Sub-Committee of the SOM

The ECOTECH Sub-Committee of the SOM (ESC) was established in 1998 to assist the SOM in coordinating and managing APEC's economic and technical cooperation (ECOTECH) agenda, and in identifying value-added initiatives for cooperative action. It also oversees the activities of the Group on Economic Infrastructure.

The ESC seeks to advance effective implementation of Part II of the 1995 *Osaka Action Agenda* and the 1996 *Manila Framework for Strengthening Economic Cooperation and Development* through consultation with APEC fora and the development of policy management tools and guidelines for projects.

### Achievements

The ESC:

- examined and reported on the 220 ECOTECH projects that were on-going or completed in 2000 with assistance from the APEC Secretariat;
- evaluated completed HRD ECOTECH projects;
- reviewed the implementation of Part II of the *Osaka Action Agenda*;
- monitored and reported on the implementation of projects/activities that flowed from the *Kuala Lumpur Action Programme on Skills Development and the APEC Agenda for Science and Technology Industry Cooperation into the 21st Century* endorsed by APEC Leaders in Kuala Lumpur, Malaysia in 1999;
- established a system of focal points (coordinators) to review progress in the implementation of the six priority ECOTECH themes under the 1996 *Manila Declaration*. In 2000, the ESC reported on the themes relating to Capital Markets, Economic Infrastructure and Sustainable Development;
- reported on the implementation by APEC fora of its Guidance on Strengthening Management of APEC ECOTECH Activities;
- proposed refinements to the ECOTECH Weightings Matrix, that was designed to provide APEC fora

with a better appreciation of the overall ECOTECH priorities, including desired project outcomes; and

- launched the ECOTECH Clearing House (<http://www.apec-ecotech.org/>) – a website that indexes all relevant information on APEC economic and technical cooperation activities. The Clearing House also facilitates the exchange of information between potential partners in ECOTECH activity, in particular the identification of ECOTECH requirements and the capacity to provide appropriate expertise to meet those needs.

### Next Steps

The ESC will develop further the Joint Activities/Dialogue sections of Part II of the *Osaka Action Agenda*, coordinate work on cross-cutting issues including human capacity building, consider the possibility of establishing Individual Action Plans on ECOTECH and report on the implementation of ECOTECH guidelines and initiatives. It will also contribute to APEC's outreach programs by highlighting how ECOTECH activities are benefiting governments, business and the community. In its deliberations, the ESC will take into account the application of the *Framework for the Integration of Women*.

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## Group Economic Infrastructure

APEC's work on strengthening economic and technical cooperation in infrastructure is mainly carried out by the Group on Economic Infrastructure (GEI) – previously known as the Infrastructure Workshop (IWS), a forum that had been operating under the auspices of the Economic Committee. However, following recommendations arising from the 1999 Management Review, Ministers at the Auckland, New Zealand, meeting in September 1999, agreed that the IWS should be re-constituted as an *ad hoc* forum under the ECOTECH Sub-Committee of the SOM.

### Achievements

- The joint APEC-PECC-private/public sector initiative *Regional Integration for Sustainable Economies* (RISE), which aims to develop an approach to rural development based on integrating rural economies into the broader marketplace. It supports rural-urban linkages, development of secondary urban economic hubs and integrated infrastructure investment. Pilot scale work with regional growth centers (RGCs) in Jiangmen, China and Manado-Bitung, Indonesia has commenced. Further information on the RISE initiative can be obtained from its website (<http://www.riselinke.net/>)
- Economic Regulation and Creditworthiness Enhancement*, which is being conducted by Indonesia with support from Canada, the United States, the World Bank and the Asian Development Bank. The work takes into account best practice approaches identified in previous Infrastructure Dialogues involving stakeholders and experts. Although the initiative has a domestic focus, the aim is to provide a blueprint for wider application.
- Public-Private/Business Sector Dialogue on Infrastructure* which is an annual event that draws participants from government, international financial institutions, business and academia. Infrastructure regulatory and policy frameworks,

stakeholder interests, barriers to change and growth, the wider application of the RISE initiative, and capacity building needs were some of the issues discussed at the Infrastructure Dialogue which was held on 13 and 14 December 2000 in Melbourne, Australia.

### Next Steps

The GEI will continue to utilise the Public-Private/Business Sector Dialogue process, the "Economic Regulation and Creditworthiness Enhancement" work and the RISE initiative to make available to private economies the lessons learnt and best practices in support of policies and frameworks for the provision of infrastructure services. It will also review infrastructure support work undertaken in other fora, notably that relating to sustainable urban development, in order to assess APEC's future role in this field. In its activities, the GEI will take into account the application of the *Framework for the Integration of Women*.

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## Agricultural Technical Cooperation Working Group

In recognition of the importance of work on agricultural technical cooperation, the Agricultural Technical Cooperation Experts' Group (ATCEG) was established in November 1996 as a formal APEC body with a continuing role. Prior to that decision, two meetings of experts had been held. The meetings (in Chinese Taipei, 1995; and Australia, 1996) agreed on a work program of joint activities to enhance agriculture's contribution to the region's economic growth and social well-being and developed a framework for undertaking those cooperative activities.

In accordance with the directions from New Zealand SOM I in 1999, the ATC has expanded the scope of its priority areas incorporating part of FEEEP joint actions: (a) food and agricultural related research and development; (b) trade and other matters; and (c) food and agricultural related environmental issues.

Accordingly, the ATC's seven sub-groups were renamed to reflect these developments at the 3rd ATC meeting held in June 1999 in Japan. The sub-groups are: Conservation and Utilisation of Plant and Animal Genetic Resources; Research, Development and Extension of Agricultural Biotechnology; Production, Processing, Marketing, Distribution and Consumption of Agricultural Products; Plant and Animal Quarantine and Pest Management; Cooperative Development of Agricultural Finance System; Agricultural Technology Transfer and Training; Sustainable Agriculture and Related Environmental Issues.

Ministers' meeting in Brunei agreed on the renaming of the ATCEG to ATC Working Group in an attempt to rationalise various names of APEC fora.

### Business and Private Sector Participation

Representatives of the business and private sector participate as members of their economy's delegation and are invited to collaborate in the cooperative activities undertaken by the ATC.

An ABAC representative gave an informal briefing on the proposed APEC Food System to July 1998 meeting in Portland, USA. In the seminars on the Agricultural Finance System as well as the 3rd Biotechnology Workshop, private sector representatives were invited and made significant contributions to the works.

The ATC has been working closely with PECC, particularly in the area of production, marketing, processing and distribution of agricultural products. In cooperation with PECC, the contact list of agricultural experts was prepared and recently updated. The Trade Facilitation Manual, which describes the outline of each economy's regulations on standards and conformance, was also prepared.

### Achievements

Highlights of the ATC's accomplishments in 2000 include:

- Implementation of APEC Food System. The ATC serves as a main body of APEC in undertaking recommendations in APEC food system report. In accordance with the Leaders instruction, the ATC submitted a report on progress in the implementation of relevant recommendations.
- The ATCEG's Biotechnology Report. In response to Ministers' request in Auckland in 1999, the ATC prepared and submitted a report on biotechnology to SOM II and Trade Ministers meeting in Darwin. The report deals with the past performance, current state and recommendations for future action in biotechnology in agriculture. The recommendations, which were endorsed by Trade Ministers, include:
  - Note the ATCEG past and present work in the area of biotechnology and endorse the ATCEG Report on Biotechnology.
  - Support the ATCEG work program on biotechnology for year 2000 and the medium-term, as listed in part III of this report, including initiatives such as:

# 1 Activities of APEC Fora (cont'd)

## Agricultural Technical Cooperation Working Group (cont'd)

- a. capacity building;
- b. facilitation of improved regional coordination and efficient use of risk assessment resources;
- c. completion of a Best Practices Guide to communicating agricultural biotechnology;
- d. updating the APEC internet site related to agricultural biotechnology;
- e. discussion of key international activities such as the implementation of the Cartagena Protocol on Biosafety;
- f. development of case studies on the release of crops in centers of origin and diversity; and
- g. addressing issues related to intellectual property rights for transgenic crops and livestock of specific regional interests in collaboration with the Intellectual Property Rights Experts Group.
- Underscore the importance of public awareness and understanding of biotechnology.
  - Urge APEC member economies to:
    - a. ensure a transparent, science-based approach to the safe introduction and use of biotechnology products, recognising the important contribution that biotechnology can make to the society;
    - b. enhance their efforts to address public information needs with a view to increasing public awareness and understanding of agricultural biotechnology; and
    - c. actively participate in discussions at relevant international fora where international rules, standards, guidelines or recommendations, or research, are being contemplated.
  - Support Canada's proposal for year 2001 funding of the workshop to address these topics under the Trade and Investment Liberalisation Facilitation (TILF) special account. This funding would provide a focus for the outcomes of the Vancouver 2000 meeting on agricultural biotechnology, including initiatives related to technical cooperation and capacity building.
- Workshop on Agricultural Biotechnology (Vancouver, Canada, October 2000) As a concrete step to implement the biotechnology report, the ATCEG organised the workshop in biotechnology. The workshop consisted of two sessions: managing technical capacity, safety and communications into the 21st century and environmental safety and food safety. It aimed to exchange information and develop scientifically sound national process and procedures for evaluating biotechnology products. Its major outcomes include Best Practice Guide to communicating agricultural biotechnology, review of different approaches to risk management and recommendations for a comprehensive communication strategy.
  - Workshop on Conservation and Utilisation of Plant and Animal Genetic Resources (Taichung, Chinese Taipei, October 2000) This workshop focused on analysis of the current status of conservation and utilisation of aquatic genetic resources in the APEC region and sharing expertise on conventional and innovative technologies (confined to biotechnology and cryopreservation) for the conservation and utilisation of plant, animal and aquatic resources among member economies.
  - Training on Agricultural Finance (Tokyo, Japan, September 2000) The training aimed to enhance the understanding of the role of agricultural finance, constitution of agricultural cooperative systems and their saving and loan system and policy in Japan.
  - Workshop on Alternative Quarantine Treatments and Post-Harvest Handling Methods (Hawaii, USA, May 2000) The objectives of the Workshop were to exchange information on alternative quarantine treatments and post-harvest handling methods and to exchange information to explore scientific issues related to processing of agricultural products.
- Workshop on Animal Health Risk Analysis (Brisbane, Australia, April 2000) The objectives of the workshop were to enhance the knowledge of and understanding within member economies of the process involved in developing health import risk analysis as well as of principles the SPS agreement and other standards and guidelines used in import risk analysis.
  - Symposium on Rural Issues in the APEC region (Tokyo, Japan, March 2000) The symposium was held to implement the FEEEP joint action. In this symposium, the importance of rural areas in national socio-economy and sustainable agriculture in rural revitalisation was reconfirmed, and the necessity for continuing discussion on rural revitalisation in the ATCEG was recognised.
  - Workshop on Agricultural Technology Transfer (Jakarta, Indonesia, January 2000) The workshop aimed to enhance the understanding of the current status of agricultural technology transfer and training activities in terms of respective strengths, weakness, opportunities and threats.
  - Further development of the ATCWG homepage (<http://www.dpie.gov.au/dpie/apec/atc>).
- Next Steps**
- The ATC will take follow-ups to implement the recommendations in the biotechnology report. Another workshop in biotechnology is planned in 2001, based on the outcomes of the 2000 workshop. The ATC will implement further technical cooperation programs in biotechnology, including capacity building and exchange of information and submit a report on progress to the Trade Ministers meeting in 2001, as instructed by the Ministers' meeting in Brunei. The group will continue to undertake programs responding to the tasked recommendations of APEC food system and report on the progress in the area

## Energy

to the Ministers and Leaders in 2001. In the area of conservation and utilisation of plant and animal genetic resources, the ATC will hold a workshop on genetic information management systems in October 2001. This workshop aims to identify possible information needs and cost-effective collection methods as the framework of economy-based germplasm database and to share and develop the information of genetic resources among member economies by integration into the global information network. The other activity is to prepare and publish an APEC booklet on indigenous animals and their implications for local agricultural practices.

In the area of sustainable agriculture and related environmental issues, the ATCEG plans follow-up workshop in May 2001 as recommended at the workshop held in Davao in 1999. Japan also considers to hold another round of workshop in 2001 on rural issues as a follow-up to the workshop in 2000. The group is developing two activities, namely: benchmarking of selected irrigation areas in APEC, and certifying sustainable agriculture.

The ATC is implementing its 1st APEC funded project, "APEC Institutional Linkage for Human Development in Post Harvest Technology," in the area of production, processing, marketing, distribution and consumption of agricultural products.

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The Energy Working Group (EWG), launched in 1990, seeks to maximise the energy sector's contribution to the region's economic and social well being, while mitigating the environmental effects of energy supply and use. The efficient and reliable supply of energy and energy services to meet the needs of APEC member economies provides the focus for the EWG's activities. The EWG contributes to decision-making through: frank and open discussion of members' energy policies and planning priorities; sharing basic resource demand and supply outlook data and considering the regional energy policy implications; and responses to wide-reaching energy-related issues.

### Business and Private Sector Participation

The business/private sector is involved in the work of the EWG through the EWG's five Expert Groups and is represented at EWG meetings by the PECC Energy Forum. Business participates in, and supports, EWG events such as seminars, training programs and technology demonstrations. A business sector /Ministerial dialogue has been held in conjunction with the four Energy Ministers' meetings held to date.

In March 1998, the EWG established the EWG Business Network (EBN) as an interface between the private/business sector and the EWG. The Network comprises two business representatives from each economy. The fourth meeting of the Network took place in August 2000 in Phuket, Thailand. Recommendations from the EBN focus on raising the awareness of the importance of the energy sector to the growth in the Asia Pacific region, particularly in relation to initiatives and activities that strengthen dialogue, build capacity and encourage market reforms to attract private sector investment in energy infrastructure development. This matter was also reflected in the deliberations of APEC Energy Ministers at their latest meeting.

Fourth Energy Ministers Meeting  
APEC Energy Ministers met for the fourth time in San Diego, California, USA on 12 May 2000 to discuss regional energy cooperation and the role of energy in meeting APEC's goals in the 21st century, under the theme "Turning Vision into Reality". In their Declaration following the meeting, Energy Ministers committed themselves to the implementation of priority energy initiatives on a voluntary basis, taking into consideration the different stages of development of APEC member economies. They also endorsed a new implementation strategy: agreed to send a message to APEC Economic Leaders on the contribution energy market reform can make to sustain economic growth in the region; and issued a Joint Statement on Clean Energy and Sustainable Development.

The Ministerial Declaration notes the central role of energy in the region's future prosperity, energy security and environmental protection and highlights the work done in the EWG on initiatives to sustain energy market reform and facilitate economic and technical cooperation. The message to APEC Economic Leaders commits to implementation of these initiatives, especially through a new Implementation Strategy. These initiatives include strategies to enhance energy efficiency and conservation; and disseminate new and renewable energy technologies that would facilitate energy security and regional economic stability.

### Achievements

- The EWG has:
- Regularly published *APEC Energy Statistics*, consisting of annual and quarterly data covering: energy supply and demand by energy sources and electricity, and stock changes for APEC member economies. The data for 1998 was published in October 2000.
  - Developed and obtained the agreement of Energy Ministers

# 1 Activities of APEC Fora (cont'd)

## Energy (cont'd)

to implement 14 Rational Energy Policy Principles which give impetus to the reform of energy policies in member economies. In May 2000, Ministers reviewed further progress in implementing the non-binding principles.

- Held four Energy Ministers' Meetings (Sydney, Australia, August 1996; Edmonton, Canada, August 1997; Okinawa, Japan, October 1998; San Diego, USA, May 2000).
- Obtained endorsement from Energy Ministers to an APEC Ministers' Implementation Strategy (2000), which has two components:
  - An Implementation Facilitation Assistance Team (IFAT) program, where experts (including representatives from Expert Groups, the EBN, Energy Regulators Forum and other designated experts) share their experiences on implementing policy initiatives endorsed by Energy Ministers with economies wishing to receive practical, non-prescriptive advice on energy market reform.
  - A reporting mechanism to measure progress in implementing energy market reform which takes the form of a voluntary, annual self reports by member economies that will be forwarded to Economic Leaders through the Energy Working Group and the APEC system.
- Gained endorsement by Energy Ministers (1997) of the non-binding principles contained in the *Manual of Best Practice Principles for Independent Power Producers (IPPs)*, aimed at mobilising capital for private sector investment in power infrastructure. A number of economies are using the *Principles* as a guide in the reform of their power sectors.
- Secured endorsement by Ministers of a set of non-binding principles for good environmental practice aimed at ensuring that new power infrastructure additions in APEC economies are environmentally sound.

- Conducted a program of seminars, training courses and information exchange activities aimed at promoting new and renewable energy technologies, more efficient energy production and use, and the mitigation of the environmental impact of energy production and use, e.g. through the application of clean fossil energy technologies.
- Completed and published a comprehensive *Regional Energy Supply and Demand Outlook* to the year 2010.
- Conducted IFAT visits to Thailand in November 1999 and August 2000 to maintain the momentum on the gas reform process and developed recommendations specific to the needs of Thailand's energy market reform process. Peru and the Philippines have also invited an IFAT visit.
- Commenced implementation of the voluntary pledge and review system aimed at improving energy efficiency.
- Commenced implementation of the Energy Efficiency Standards Notification Procedure.

### Next Steps

The EWG will continue its work program based on the *Osaka Action Program for Energy* and the priorities established by Ministers and Economic Leaders. During 2001 the EWG will:

- Develop further its energy database and enhance its website to enable policy makers and business to be better informed on supply and demand related issues.
- Facilitate implementation of the Best Practice Principles for Independent Power Producers and promote private sector investment in the natural gas chain in line with the recommendations of the Natural Gas Initiative.
- Assist APEC member economies to implement agreed energy initiatives, including energy market reform, by conducting Implementation Facilitation Assistance Team visits at the invitation of economies.

- Implement the work program on environmentally sound power infrastructure.
- Continue its efforts to promote energy efficiency and conservation through the exchange of information on technologies, policies and practices and implementing the Voluntary Pledge and Review Program to foster improvements in the production, delivery and use of energy.
- Implement the standards notification procedures.
- Strengthen the operational aspects of APEC micro-economic reform within the power sector to achieve economic and environmental gains.
- Encourage the uptake of new and renewable energy technologies through the development of the 21st Century Renewable Energy Development Initiative.
- Conduct a 5th meeting of the EBN in Mexico (February 2001).
- Conduct EWG21 in Malaysia (May 2001) and EWG22 in Papua New Guinea (October 2001).
- Consider what additional measures might be taken to further enhance regional energy security including in respect of oil and alternative energy services.

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## Fisheries

The Fisheries Working Group (FWG) was created by the SOM in 1991. It aims to promote:

- the conservation and sustainable use of fisheries resources;
- sustainable development of aquaculture and habitat preservation;
- development of solutions to common resource management problems;
- the enhancement of food safety and quality of fish and fisheries products; and
- sector specific work relating to trade and investment liberalisation and facilitation.

### Business and Private Sector Participation

The FWG had its 11th annual meeting in Seattle, USA on 17-21 July 2000. This meeting included for the first time a Business Forum hosted by the USA and sessions on gender issues, fisheries management and aquaculture along with the normal business of the meeting.

This forum provided an opportunity for APEC economies to discuss issues of common interest with the US industry and the International Coalition of Fisheries Associations (ICFA) and from Universities. Industry interests included: harmonisation of trade information and documentation schemes; support for IUU fishing through the FAO; support for strong Regional Fisheries Management Organisations (RFMO's); and reduction in non-tariff measures and the implementation of the UN Fish Stocks Agreement. These are issues that industry felt APEC could develop in cooperation with the FAO. Other suggestions included support of HACCP and technologies to mitigate seabird by-catch.

### Fisheries Management

The meeting took reports from a number of key conferences on Fisheries Management that had been held in APEC member economies and from the FAO. A number of suggestions were made for agenda items on

Fisheries Management for FWG12 and they included algal blooms, differences between the US and EU HACCP systems, and joint issues for the FWG and MRWCG. It was agreed that fisheries management in terms of the role described above was and important aspect of the FWG work program.

### Aquaculture

There were a number of reports in this session including a report on the recommendations from the conference. Aquaculture in the 3rd Millennium held in Bangkok in February 2000, the Medan Grouper Workshop and the Expert Consultation on Aquaculture Education held in Hanoi.

Discussion on future work areas included presentations from the nature Conservancy and the World Resources Institute on farming the Komodo National Park in Indonesia and developing a pilot mariculture project in the same area. However, while the Grouper Network was supported, a number of economies expressed concern that there was too much focus on aquaculture and grouper and that freshwater and alternative species for aquaculture should also be considered.

### New Projects

FWG projects for commencement in 2000/01 were ratified at the BMC meeting held from 26-28 July 2000 and included:

- Collaborative APEC Grouper Research and Development Network (FWG 01/2001);
- Management of Marine Algal Toxins in Seafood Products in the APEC Region (FWG 02/2001);
- Farming the Reef: A State of the Art review of Aquaculture of Coral Reef Organisms in Tropical Nearshore Environments (FWG 04/2001);
- APEC Seafood Information Systems (SIS) Phase 2 (FWG 01/2001T); and
- APEC Project for the Conservation and Management of Sharks (FWG 03/2001T).

### Achievements

The FWG reinforced its role in fisheries management to "promote co-operation, conservation, management, sustainable utilisation of fisheries resources and encourage mitigation of the effects of pollution on the marine environment". The Kesen-Numa Workshop report was adopted with inter-session work needed to try to progress the suggested actions prior to the FWG 12 meeting.

During 2000, the FWG has been working towards completing Part II, on non-tariff measures, of the project "Trade and Investment Liberalisation in Fisheries." This project was originally designed in 1996 as a self-funded four-part study to include tariff, non-tariff measures (NTMs) and subsidies, including investment liberalisation.

The FWG also has been assuming responsibility for two projects arising from the Early Voluntary Sectoral Liberalisation (EVSL) initiative in the fisheries sector. One of the projects is "Study into the Nature and Extent of Subsidies in the Fisheries Sector in APEC Member Economies", which will identify government progress and policies, which might lead to dispute under the WTO Subsidies and Countervailing Measures Agreement. The other project is "A study to Reduce Impediments to Early Voluntary Sectoral Liberalisation in the Fisheries Sector," which is a three part project to develop a policy model to eliminate barriers to EVSL.

The FWG is continuing to undertake a two-year TILF-related project, which started in mid-1999, "APEC Seafood Information System". This project tests the feasibility of improving and expanding the market and industry information service provided by GLOBEFISH and the FAO Regional Marketing Information and Advisory Services for Fishery Products. It aims to develop a website soon.

In addition, the FWG completed the project "Free Trade and Investment in the Fisheries Sector of the Asia-Pacific Region: Economic Analysis of Tariffs" in 1999. This project fairly assesses the

# 1 Activities of APEC Fora (cont'd)

## Fisheries (cont'd)

qualitative and quantitative economic impacts of tariff removal in the fisheries sector in the Asia-Pacific Region. The outcome is available at APEC's website.

It is worth mentioning that in early 1999, the FWG produced a publication on *Air Shipment of Live and Fresh and Seafood Guidelines: A Manual on Preparing Packaging Live and Fresh Fish & Seafood Air Shipments* along with the *Customs and Inspection Guidelines for Six APEC Member Economies*. The manual aims to inform APEC fish and seafood traders of the technical requirements and public health regulations associated with trade in air-shipped live and fresh fish and shellfish. The manual is available from the APEC Secretariat. An electronic version is on the APEC Secretariat's website.

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## Human Resources Development

The Human Resources Development Working Group (HRDWG) was established in 1990 and conducts work programmes on developing human resources, touching on issues ranging from education to labour to capacity building. The WG also furthers the ECOTECH objectives of developing human capital, which is one of the Brunei priorities for APEC2000.

In 2000, the HRDWG underwent a restructuring to better reflect the current priorities of Leaders and Ministers in the area of HRD and also to ensure more effective management, by reducing its size from having five to three networks: the Capacity Building Network (CBN); the Education Network (EDNET); and the Labour and Social Protection Network (LSP).

Through the year, one Ministerial and two WG meetings were held. The 2nd APEC Education Ministerial Meeting was held in Singapore on 6–7 April 2000 with the theme 'Education for Learning Societies in the 21st Century'. Education Ministers identified four strategic areas essential for transformation into learning societies of the future: usage of IT as a core competency; enhanced quality of teaching and teacher development; sound management practices in policy-making; and active engagement by economies in education.

The 21st and 22nd HRDWG meetings were held in Sapporo, Japan and Bandar Seri Begawan, Brunei Darussalam on 24–28 January and 26–29 May 2000 respectively. The WG's newly reconstructed three networks met for the first time in May and developed as well as improved upon new and existing projects. One of the outcomes of the meetings was the setting up of a planning committee in preparation for the 4th APEC HRD Ministerial meeting to be held in Japan in September 2001. The Working Group also endorsed six new projects relating to, among others, cyber education, capacity building for teachers and labour-management issues.

The HRDWG also contributed towards Brunei Darussalam's theme

of "Delivering to the community" by participating in a special Dialogue on HRD titled "Delivering to People on Training and Education" on 29 May 2000. In addition, the HRDWG was also invited to contribute to the development of the Human Capacity Building initiative.

Projects currently being developed or implemented include:

- Application of Total Productive Maintenance (TPM) in Small and Medium Industry.
- Skill Shortages, Training Needs and HRD Strategies of Multinational Enterprise (MNEs) in APEC Economies.
- Achieving High Performance Schools: Using Measurement to Manage Improvement.
- KDI School as an APEC Education Hub.
- Global Advantage through People: Human Resource Management Policies and Practices in APEC Economies.
- Corporate and Non-profit Governance and the Restoration of Prosperity in the APEC region: Perspectives and Principles.
- Alternative Dispute Resolution - Executive Education Project 2000 (ADR-EEP 2000).
- Seminar on the Best Practices for Professional Development of Vocational Teachers in Teaching Competencies among APEC Economies.
- The Use of Information Technology in a Learning Society.
- APEC Cyber Education Cooperation.
- Helping Business Respond to Change: Innovations in Labour-Management-Government Cooperation.
- APEC Forum on Cross-Cultural Understanding of Implementation of Standards and Accreditation in Supply Chain Management.
- Capacity-Building Program for Trade and Investment Insurance Practitioners.
- APEC Site for Kids.

## Business and Private Sector Participation

Enhanced participation by the private/business sector in the HRDWG's activities continued to be considered and implemented throughout 2000. The business/private sector also benefits directly from HRD activities in APEC, especially for the SMEs where several programmes to upgrade the capacity of SMEs are conducted. Apart from participation, co-sponsorship from the business/private sector is present not only in financial terms but also in the context of enhancing linkages between industry and the various target groups of HRD activities such as youths and SMEs.

## Achievements

The HRDWG's achievements of the year include successful holding of these events:

- The project "APEC Youth Networking: Youth Preparation for APEC Society in the Next Millennium" was held in Bangkok on 12–20 July 2000. The event brought together APEC youth to learn about APEC, promote cross-cultural mutual understanding and build a youth network across the region. Over 150 participants from 13 economies participated in a series of lectures and panel discussions, cross-cultural simulation exercises, exhibitions and home stays.
- A symposium on "IT Enablement for Trainers in the New Millennium" was held on 18–20 July 2000 in Brunei Darussalam with over 700 participants, addressing the issue of equipping the modern workforce with IT skills. There were exchanges of information on the latest teaching methods, knowledge and strategy in IT for both public and private sectors with each other as educators and trainers in the region.
- A symposium was held on "Capacity-Building of APEC Executives on International Business Management" in Yantai, China on 2–3 August 2000 to build the capacity of executives

on international business management, especially from the developing economies and SMEs. Participants were able to exchange experience and best practices in international business management.

- As part of the Alternative Dispute Resolution Executive Education Project (ADR EEP 2000), an experts' workshop and seminar were held on 14–17 November 2000 in Bangkok, Thailand. The former provided experts with the opportunity to analyse the needs of ADR education for executives in the region and accordingly to design future programs, whereas the latter focused on ADR and debt restructuring.
- A Roundtable on Cyber Education for All was held in Seoul, Korea on 30 November – 1 December 2000. Participants gained from information sharing on the growth and application of cyber education, and formulated recommendations to provide the momentum to the development of cyber education especially in the new economy.

As part of an information exchange exercise and to avoid duplication of efforts, at the invitation of the OECD the EDNET Coordinator briefed the General Assembly on Indicators of Education held in Japan in September on similar work being undertaken in the HRDWG.

Several self-funded projects were completed and events held throughout the year, including the publication of the APEC Engineers Manual, APEC Forum on HRD in the Manufacturing Industry in Japan and APEC Youth Skill Camp in Korea.

## Next Steps

The HRDWG will continue to implement its work programme towards developing human capital and in response to Leaders' and Ministerial priorities. Preparations are underway for the 23rd HRDWG Meeting in Mexico on 10–13 April 2001, the high level meeting on Human Capacity Building in China on May 2001 and

for the 4th APEC HRD Ministerial Meeting scheduled on 29–30 September 2001 in Kumamoto City, Japan.

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# 1 Activities of APEC Fora (cont'd)

## Industrial Science and Technology

The Industrial Science and Technology Working Group (ISTWG) was formed at the APEC Ministerial Meeting in Singapore in 1990 as the Working Group on Expansion of Investment and Technology Transfer. It has changed its name several times since then. The ISTWG operates within the formal framework of APEC and the policy directions set by Leaders, and is guided by APEC Ministers responsible for Science and Technology.

The ISTWG's program is based on the working group's vision for the 21st Century of a dynamic and prosperous Asia-Pacific region built on the development and application of industrial science and technology that improves the quality of life while safeguarding the natural environment and achieving sustainable development.

The ISTWG's mandates were established as part of the Osaka Action Agenda. In 1997 at their Vancouver meeting, the Leaders called for APEC fora to review their mandates and at the 14th ISTWG meeting a new version of ISTWG action agenda was finalised, which reworded the six key priorities and adopted them formally. The six key priorities are improved availability of information; improved human resources development; improved business climate; contribution to sustainable development; enhanced policy dialogue and review; and facilitation of networks and partnership.

The ISTWG activities are focussed in light of three major Leaders' and Ministers' initiatives which are closely related to the Group: the *APEC Agenda for S&T Industry Cooperation for the 21st Century*, the *Mexico Declaration* and the *Cleaner Production Strategy*.

### Business and Private Sector Participation

The ISTWG has underscored a close cooperation between the group and business/private sector in many activities such as the 'Technomart,' Workshop on Business incubation and Information Flow Improvement for Business Incubators and the APEC

Science and Technology Industrial Parks Network. The business/private sector is encouraged to participate in the ISTWG activities. The group held a business conference on biotechnology/health and environmental issues in conjunction with its 17th meeting in August 1999. The 4th Technomart to be held in Sept 2001 will serve as another major occasion for private sector to participate in the IST's activities.

In addition, the ISTWG has been active in involving academia in its activities. The ISTWG invited a representative from the Asia Pacific Rim Universities (APRU) to an informal dialogue on the margin of its 19th meeting in Brunei in October to explore possible relationship in the future.

### Achievements

The ISTWG issued the *ISTWG Handbook for Members* to ensure that its members are well briefed and that the group is effectively organised. The *Handbook* describes the current aims, policies, procedures and practices of the group. To support the integration of women into the APEC process, the IST had a gender information session and implemented gender related projects.

In addition to conducting a series of seminars, symposia, workshops, surveys and researches, the ISTWG has completed 11 projects this year. Some of the projects completed in recent years include:

- Technomart I, II and III
- The Establishment of the APEC Virtual Center for Environmental Technology Exchange
- Improved Flows of Technological Information and Technology: The Role of S&T Industrial Parks
- Gender Stocktaking of ISTWG projects
- Symposium on High Performance Metal Matrix Composites for Manufacturing Technology of Advanced Materials

- Study on R&D internationalisation in Industrial Sector among APEC Economies
  - NGO Conference on Enhancing the Contribution of Science, Engineering and Technology to Sustainable Economic Growth
  - The 1st and 2nd Asia-Pacific Youth Science Festival
  - The Establishment of the APEC Center for Technology Foresight
  - The Establishment of the APEC Coordinating Center for Good Clinical Practice
  - Held an APEC Symposium concerning Public Understanding of Science and Technology (S&T)
- The ISTWG is operating the 'APEC Science and Technology Web' (AST Web) to help expedite information flow among member economies. The website (<http://www.apecst.org>) includes 'Discussion Forum for the Lead Shepherd/Chair of APEC WGs and Committees' to avoid duplication of APEC activities and enhance synergy effect. ISTWG's project proposals, which are open to feedback from other APEC fora, will be posted on the website from the conceptualisation phase.

### Next Steps

Eleven ISTWG projects delivered outcomes in 2000 but most are on-going. The continuing projects include Workshop on Business Incubation and Information Flow Improvement for Business Incubators; APEC Wide Studies of Megacities and Technology and Learning in 2010 by the APEC Center for Technology Foresight; APEC Technomart IV; A Feasibility Study for the Development of a Post Harvest Network for the APEC Region; APEC Digital Museum Initiative; Dissemination of Earthquake Disaster Mitigation Technologies for Humanistic Concerns; Networking of APEC R&D Leaders and Researchers; Cleaner Production Strategy/Clean Technology Strategy; Gender and Science and Technology; and Emergency Preparedness, and health issues.

The ISTWG continues to hold a policy dialogue session at their meeting to facilitate learning, share best practice and build a network in areas of mutual policy interests among the member economies. The ISTWG is discussing the holding of the 4th S&T Ministerial. Ministers responsible for Science and Technology have previously met in China, Korea and Mexico.

The ISTWG will provide a mid-term work plan in 2001 in addition to preparing an annual operational plan. The IST has submitted the second report on the *APEC Agenda for Science and Technology Industry Cooperation into the 21st Century*, the first being endorsed by the Ministers in September 1999 in New Zealand. The recommendations in the second report included that:

- The ESC develop and coordinate an approach across all relevant APEC fora to provide a clearer picture of the nature and depth of private sector involvement in APEC ECOTECH projects, and of the impact of projects and intended beneficiaries.
- All the relevant APEC fora, especially the working groups, should strengthen science and technology policy dialogue to enhance their work on the strategic level;
- All APEC fora should strengthen communication and collaboration in the technology areas identified in the Agenda, particularly in broad enabling technologies, such as advanced materials;
- The APEC Secretariat, ESC and all the relevant APEC fora should make joint efforts in further strengthening ECOTECH project coordination; and in this connection the ASTWeb of ISTWG could be utilised as a discussion forum or Clearing House for future activities and projects addressing implementation of the Agenda;
- In view of the advantageous position of ESC, it should assume more responsibility in coordinating the

collecting necessary data and soliciting facilitation from other APEC fora.

As requested by the Leaders in Brunei, the ISTWG will develop a strategy to fight infectious diseases which can be used in APEC and submit a report on this strategy to the Ministers and Leaders in 2001.

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## Marine Resource Conservation

Recognising that marine resources are crucial to the economic and social well-being of the people in the region, APEC established the Marine Resource Conservation Working Group (MRC) in 1990. The MRC working group is continuing its efforts to implement the Action Plan on Sustainability of the Marine Environment to protect this collective resource, and to making dramatic progress toward a sustainable marine environment to ensure continuing socio-economic and environmental benefits. Chinese Taipei is currently serving as the lead shepherd of the group until June 2001, and other shepherds of the group are Canada, China, Indonesia, and Thailand. As called for by BMC, Australia, Canada, Chile and Thailand formed a MRC project evaluation team to strengthen management of MRC projects. The last working group meeting (MRC13) was held in June 2000, in Lima, Peru and the 14th Working Group meeting (MRC14) will be held in Hong Kong, China.

### Business and Private Sector Participation

The APEC Action Plan for Sustainability of the Marine Environment, which was endorsed by the APEC Environment Ministers in June 1997, relies on significant participation from business and the private sector in meeting its objectives. To encourage the participation by business and private sector and to build a long-term partnership, a set of guidelines on 'Involvement of the Business/Private Sector in MRC WG Activities' was discussed and endorsed at the MRC12 in May 1999. To take concrete action to involve the private sector, the 'Action Strategies and Work Programs: Engaging the Private Sector in Sustainable Management of Marine Resources in the APEC Region' was discussed and endorsed at the MRC13 in June 2000. Member economies will consider taking responsibility for undertaking activities outlined in specific sections.

# 1 Activities of APEC Fora (cont'd)

## Marine Resource Conservation (cont)

### Achievements

The MRC Working Group has accomplished the Ministers' directives of "Environmentally Sustainable Growth, Developing Human Resources and Harnessing Technologies for the Future" in the following activities in 2000:

- APEC Round Table on Action Strategies and Work Programs for Private-Public Sector Partnership on Sustainability of Marine Environment, Chinese Taipei, 11-12 April
- Task Team and Program Steering Committee Meetings on Management of Red Tides and Harmful Algal Blooms in the APEC Region, Haikou, China, 15-18 April
- APEC Workshop on the Establishment of APEC Marine Environmental Training and Education Center, Cheju Island, Korea, 20-21 April
- The 4th Steering Committee Meeting on Ocean Models and Information Systems for APEC Region, Bangkok, Thailand, 27-28 April
- The 13th MRC WG Meeting, Lima, Peru, 7-10 June
- APEC Workshop on Marine Ecosystem Analysis and Modelling, Taipei, Chinese Taipei, 8-10 August
- APEC OMISAR Workshop on the Validation of Wave Models, Tainan, Chinese Taipei, 19-20 September
- APEC Workshop on the Development of APEC Mechanism for Integrated Coastal Management, Seoul, Korea, 21-2 September
- APEC Workshop on Assessing and Maintaining the Integrity of Existing Offshore Oil and Gas Infrastructure, Beijing, China, 9-11 October
- APEC Workshop on Integrated Ocean Management, Vancouver, Canada, 12-15 December

### Next Steps

Into the 21st Century, the MRC WG will adopt more strategic approaches to conserve marine resources and safeguard the marine environment to support the sustainability of economic

growth and social welfare in the APEC region.

- To strengthen the economic and technical cooperation, to facilitate expertise and information exchange, to develop human capital, as well as to encourage gender consideration and business and private sectors involvement, the WG plans to implement and undertake the following projects and activities:
  1. Management of Red Tides and Harmful Algal Blooms.
  2. Ocean Models and Information System for the APEC Region.
  3. APEC Workshop on the Development of APEC Mechanism for Integrated Coastal Management
  4. Assessment of Environmental Safety of Aquaculture Farms Using Biochemical Indicators of Distress
  5. APEC Marine Environmental Training and Education Center (AMETEC)
  6. APEC Workshop on Assessing and Maintaining the Integrity of Existing Offshore Oil and Gas Infrastructure
  7. Development of a Regional Risk Management Framework for APEC Economies for Use in Control and Prevention of Introduced Marine Pests
  8. Workshop on Integrated Oceans Management in the APEC Region
  9. Management of Marine Algal Toxins in APEC Seafood Products
- To explore closer coordination and cooperation with other APEC fora to implement the *Action Plan for Sustainability of the Marine Environment* to support APEC Economic Leaders' priorities with respect to the marine environment, including promoting environmentally sustainable growth, harnessing technologies for the future, and developing human capital, the MRC WG will take initiatives on:
  1. Continuing its efforts to implement the Action Plan on Sustainability of the Marine Environment and developing collaborative action

identified in the Declaration of the APEC Oceans Conference and its recommendations within four general areas: Balancing Coastal Development and Resource Protection, Ensuring Sustainable Fisheries and Aquaculture, Understanding and Observing the Oceans and Seas, and Economic and Technical Cooperation related to oceans management.

2. Establishing a small task group to work by correspondence on developing a strategic approach that the MRC and Fisheries Working Groups can take in establishing a joint work program for those areas of common interest. The MRC WG will work on the strategy for a Virtual Task Force on Destructive Fishing Practices to:
  - ensure that reef fish are caught without the use of destructive fishing practices;
  - ensure that the harvest is sustainable; and
  - implement partnerships between local fishers and fishing communities to protect their resources and ensure that they receive a fair return on their product.
3. Promoting coordinated development of APEC's marine related networks (OMISAR, the Sustainable Development Training and Information Network, and the EduNet Integrated Coastal Management network) to facilitate the exchange of information to support decision-makers, and implementing joint research and monitoring programs to sustain and conserve marine resources.
4. Holding a Partnership Market Meeting to bring together potential assistance recipients, donors (multilateral and domestic), the business/private sector and others, to facilitate partnerships in implementation of domestic plans of action for land-based sources of pollution.

5. To take concrete action to involve the business/private sector in Assessing and Maintaining the Integrity of Existing Offshore Oil and Gas Infrastructure, promoting and implementing the Global Programme of Action for the Protection of the Marine Environment from Land Based Sources of Pollution (GPA), marine ecotourism, sustainable marine aquaculture and coastal engineering, and pollution control.

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## Small and Medium Enterprises Working Group

The Small and Medium Enterprises Working Group was established as an *Ad Hoc* Policy Level Group on SMEs (PLGSME) in February 1995. Its original mandate was for two years. However, it has been extended twice: the first time in 1996, and the second in August 1998. In 2000, as part of the Management Reform process, the PLGSME was changed into the SMEWG and granted permanent status. The PLGSME last met in Bandar Seri Begawan, Brunei Darussalam on 20 June 2000. It discussed, among other things, the on-going PLGSME projects, the self-review of the group, and the implementation of the Five-Year Action Plan for SMEs (SPAN). It likewise discussed preparations for the 7th SME Ministerial Meeting.

The 4th SME Ministers Meeting in Ottawa, September 1997 had committed their economies to create business environments that will address the special needs of SMEs. The Ministers endorsed the *Framework for APEC SME Activities* developed by the PLGSME for consideration by all APEC fora in designing and implementing SME-related activities. Building on the 1997 Framework, the 5th SME Ministers Meeting in Kuala Lumpur, Malaysia on 7-8 September 1998, endorsed an Integrated Plan of Action for SME Development (SPAN) which serves as a set of broad guidelines for SME development as well as plan for future action at the individual economy level and collaborative efforts at the APEC level.

The 6th SME Ministerial Meeting was held in Christchurch, New Zealand on 27-28 April 1999. The Ministerial Meeting was held parallel to the Business Forum. The two meetings discussed four similar key policy issues, namely: Education, Capital Markets, Trade Barriers/Compliance Costs and Responding to the Regional Financial Crisis, while the Business Forum also discussed the theme of Enhancing the Business Linkages.

The 7th SME Ministerial Meeting took place in Brunei Darussalam on 21-23 June 2000. The Ministerial Meeting was

held parallel to a Business Forum and preceded by Women Leaders Network Meeting (WLN) on 17-20 June 2000; APEC SME E-commerce Workshop (ECW) on 20-22 June 2000; and E-Trade Fair and Exhibition on 17-25 June 2000. The Ministerial Meeting and Business Forum discussed similar topics: Human Resources Development (HRD), "Capacity Building of APEC SMEs"; Information and Communication Technology (ICT), "Enabling APEC SMEs to Capitalise on Electronic Commerce"; Financing SMEs, "Making Financial and Capital Markets More Accessible to APEC SMEs"; and Strategic Alliances Between SMEs, and SMEs and Larger Firms, "Toward Harnessing Diversity for Shared Economic Prosperity".

### Business and Private Sector Participation

There is a growing private/business sector participation in APEC SME activities. A majority of SME-related activities have the involvement of the private/business sector either as participants/speakers in trainings/workshops or respondents in surveys. In conjunction with the 4th and 5th SME Ministerial Meetings, a number of private/business sector activities were organised. These were an SME Business Forum; the Women Leaders' Network meeting; the Young Entrepreneurs Organisation meeting; and the meeting of Export Credit Agencies and Export Financing Institutions from APEC member economies. At the 6th and 7th SME Ministerial Meetings, around 300 business leaders participating in the Business Forum held a joint session with the Ministers. The inputs from the private/business sector formed a critical part of the deliberations of the Ministers in their joint statement.

### Next Steps

The SMEWG will continue to focus more on policy-related issues and long-term strategic plans and activities.

In this regard, it will collaborate with other APEC fora to ensure that the

# 1 Activities of APEC Fora (cont'd)

Small and Medium Enterprises  
Working Group (cont'd)

perspectives of the SPAN are developed in a coordinated and efficient manner. It will also work closely with other APEC fora in the area of addressing the impact of financial instability on SMEs and in electronic commerce. It will further encourage private/business sector participation in its work.

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Telecommunications

The APEC Telecommunications Working Group (TEL) was formed in 1990. Under its first Chair, the United States, TEL was charged to address human resource development; technology transfer and regional cooperation; opportunities for on-site visits, observerships and fellowships; and telecommunications standardisation.

TEL's activities support the goals set out by APEC economic leaders in the *1994 Bogor Declaration* and are consistent with the work programme in the *1995 Osaka Action Agenda*. The work of the TEL is accomplished by four steering groups, which propose, implement and monitor projects and activities to advance the overall goals of APEC. Each steering group addresses a specific priority area: liberalisation; business facilitation; development cooperation; and human resource development.

APEC Ministers responsible for the Telecommunications and Information Industry have to date met four times to review the work of the TEL, and to provide direction for the development of the Asia-Pacific Information Infrastructure (APII). At their first meeting in Seoul, Korea in 1995, Ministers agreed on the objectives and 10 core principles for the APII which are contained in the *Seoul Declaration*. At the 2nd Ministerial Meeting, held in Queensland, Australia in 1996, Ministers issued the *Gold Coast Declaration* which contained a Program for Action for the Telecommunications and Information sector in APEC economies. The Program for Action focuses on continuing liberalisation efforts, including endorsement of a Reference List of a Fully Liberalised Telecommunications Sector.

At the 3rd Ministerial Meeting, the Singapore Declaration was issued. A highlight of the meeting was the Ministerial endorsement of the Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment, marking the first success of APEC's Early Voluntary Sectoral Liberalisation

initiative. Ministers also approved a Reference Framework for Action on Electronic Commerce and a set of principles for use by economies wishing to provide universal access to telecommunications services.

The 4th Ministerial Meeting held in Cancun, Mexico in May 2000 focused on the theme of "Convergence". The Ministers issued the *Cancun Declaration* which sets out a number of goals for the TEL, including: placing emphasis on bridging the digital divide at the domestic, regional and international level, and the need to engage the private sector in this effort through cooperation and collaboration. Ministers agreed to promote collaboration with the private sector to expand its participation in infrastructure investment to upgrade access to networks, especially in rural and under-served areas. Ministers also agreed to continue to encourage the development of APEC's human resources in the digital economy, with emphasis on life-long learning and giving priority to the development of skills required to assist APEC members to establish a more pro-competitive policy and regulatory environment. APEC would focus on cooperative efforts that encourage competition in communications services, and address non-tariff barriers to trade and continue work to ensure that policy and regulatory environments better foster the uptake of e-commerce.

The cited documents from the Ministerial Meetings can be accessed through the APEC Secretariat website.

#### Business and Private Sector Participation

The business and private sector from many APEC member economies are actively involved in TEL activities, including all four TEL Steering Groups. Many projects are both initiated and driven solely by the private sector or in cooperation with the public sector. For example, the drive to complete a Mutual Recognition Arrangement (MRA) for telecommunications equipment has

attracted significant business participation and support.

Since TEL's 13th meeting (TEL 13) in March 1996, each meeting of the working group has included a Business-Government Dialogue, organised jointly with the Pacific Economic Cooperation Council (PECC), which provides an opportunity for the two sectors to engage in informal discussion on topics of mutual interest. At the Third Ministerial Meeting, a Government-Industry Dialogue was held, allowing the APEC member economies and the business/private sector to hold frank discussions on issues affecting the telecommunication and information industry.

Business and private sector participation in TEL meetings and activities is strongly encouraged and welcomed. Individuals wishing to take part should approach the APEC TEL Point of Contact in their particular economy or the Chair's Office to discuss arrangements.

(See page 50 for a list of APEC offices in member economies).

#### Achievements

In 1999, TEL finalised the APEC Framework for Telecommunications Interconnection. The Framework is a resource for use by businesses and policy-makers and aims to support secure and competitive supplies of services to users in an environment of certainty which gives investors confidence in the ongoing development of existing networks as well as the development of new networks. APEC began implementing the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment in July 1999. To date, nine economies are participating in Phase I (Mutual Recognition of Test Reports) and four economies are participating in Phase II (Mutual Recognition of Equipment Certification).

In 2000, TEL completed the APEC Principles of Interconnection with 10 economies indicating their time frame

for implementing each principle. Interconnection in this set of Principles refers to linking with all suppliers providing public telecommunications transport networks or services in order to establish effective any-to-any connectivity and to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier. The TEL also completed a number of projects in 2000, including:

- A study on International Charging Arrangements for Internet Services (ICAIS).
- A Symposium for Collaborative Strategies for Multimedia and World Wide Web Production Skills Development.
- A project to support the implementation of the MRA.

#### Next Steps

At Cancun, Ministers directed the TEL to carry out a number of new tasks including:

- Review its functions, structure and activities in light of a converged information communications environment.
- Encourage the participation of the private sector in its work.
- Accelerate the realisation of the Asia Pacific Information Society (APIS) by expanding cooperative development projects.
- Continue discussions on the "APEC Principles of Interconnection."
- Continue to foster discussions between private and government parties on International Charging Arrangements for Internet Services.
- Encourage information sharing on electronic government initiatives, spectrum access issues, Internet services and critical information protection.

TEL will continue to carry out a number of on-going projects, including:

- Design and delivery of training courses to facilitate timely implementation of the Mutual Recognition Arrangement on Conformity Assessment for

Telecommunications Equipment.

- Distance Learning Training Courses project on Basic Telecommunication Technology.
- Interconnection Resources project to give business and governments practical information and a simple methodology to make negotiations and interconnection policy faster and easier.
- A Techno-economic Modelling project which aims to integrate decision-making tools to help regulators, management teams and network engineers make sound decisions.
- TEL will begin work to implement the relevant portions of the Action Agenda for the New Economy approved by APEC Leaders in Brunei in November 2000.

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# 1 Activities of APEC Fora (cont'd)

## Tourism

The Tourism Working Group (TWG) was formed in 1991 based on the recognition that the tourism industry is of growing importance in promoting economic growth and social development in the Asia-Pacific region. The TWG brings together tourism administrators to share information, exchange views and develop areas of cooperation on trade and policies. The current Chair is China.

### Business and Private Sector Participation

Participation by the business and private sector has been channelled through the active involvement of representative travel organisations such as the Pacific Asia Travel Association (PATA), the World Travel and Tourism Council (WTTC), and the World Tourism Organisation (WTO). On 29 April 2000, Hong Kong, China hosted the 1st APEC Tourism Forum, "A Charter for the New Millennium." The proceedings provided an occasion for fruitful dialogue on the draft APEC Tourism Charter between APEC member economies' government representatives and key players from the region's tourism business/private sector.

The importance of cooperation with the business/private sector was reiterated at the Senior Official's Meeting held prior to the First APEC Tourism Ministerial Meeting, as well as during the last Tourism Working Group Meeting. Both events acknowledged the pivotal role of public-private partnership in promoting tourism and enhancing regional exchange in this field. In this context, the President of the WTTC and the Chief Executive of PATA were invited to the First Tourism Ministerial Meeting for an informal dialogue on the matter of public-private partnership. WTTC and PATA made presentations respectively on the critical role of close public-private partnership for the sustainable development of tourism in the APEC Region in the 21st Century. The Meeting valued the informal dialogue as a useful vehicle for developing new links between

the governmental and private sectors. Moreover, it was agreed that the dialogue and cooperation between both sectors should be continued, expanded and deepened for the development of tourism in the APEC Region.

A Second APEC Tourism Forum will be held in Kuala Lumpur, Malaysia on 7 April 2001. The Meeting's theme will be "Building Marketing Partnerships in the APEC Region".

### Achievements

The TWG has made significant strides last year in further defining its agenda and identifying priority issues and will pursue the accomplishment of more tasks in 2001. The TWG has compiled a comprehensive inventory of barriers to travel in the APEC region and agreed to a series of collective actions to address impediments to tourism growth. Its work program includes activities in the areas of Trade and Investment Liberalisation and Facilitation, and Economic and Technical Cooperation.

One major outcome of the TWG has been the publication of *The Economic Impact of Travel and Tourism Development in the APEC Region*. This report was the product of a jointly funded project between the APEC Tourism Working Group and the WTTC to examine the economic impact and potential of travel and tourism in the APEC region. The report provides the first comprehensive analysis of the economic impact of travel and tourism in the APEC region, together with projections to the year 2010. It highlights the enormous importance of the sector to the region's economy and the exciting potential for continuing economic and employment growth, which this industry offers. Also, this report represents a significant example of cooperation between APEC and the private sector as represented through the WTTC. An update, with revised figures and statistics will be produced, incorporating the data that becomes available after the Asian financial crisis.

In 2000, the TWG produced two publications with a focus on tourism,

the community and human resource development. These are the *Best Cases on Tourism and Cultural Festivals in APEC Member Economies and the Tourism Occupational Skill Standards Development in the APEC Region – Bridging Project*. In 2001, the TWG will produce a *Report on Best Practices in Sports and Recreation for Tourism Development within APEC Economies*. The APEC Secretariat website contains all relevant TWG documents and publications for public viewing and downloading.

The Seoul Declaration on an APEC Tourism Charter During its two meetings held in 1999 (Manzanillo, Mexico and Lima, Peru), and in Hong Kong, China in April 2000, the TWG was active in the development of an APEC Tourism Charter.

The Seoul Declaration on an APEC Tourism Charter was adopted by APEC Tourism Ministers during their 1st Ministerial Meeting held on 5-7 July 2000 in Seoul, Korea. The document reflects a collective commitment to improve the economic, cultural, social and environmental well being of APEC member economies through tourism.

The Charter recognises the significant contribution tourism makes to APEC economies and the overall goals of APEC. It serves as a Statement of Ministerial Purposes and Intent to further develop this contribution and acknowledge tourism as a key vehicle for achieving positive outcomes. The policy goals and processes adopted in the Charter are consistent with the goals of free and open trade and investment established in the *Bogor Declaration* and the general principles for trade liberalisation and economic and technical cooperation established in the *Osaka Action Agenda*. Furthermore, the Charter responds to the *Auckland Challenge* in order to maintain momentum and deliver on the commitment of APEC and take into account the "Framework for the Integration of Women in APEC."

The Seoul Declaration on an APEC Tourism Charter includes measures that:

(1) will remove impediments to tourism business and investment; (2) will increase mobility of visitors and demand for tourism goods and services in the APEC Region; (3) sustainable manage tourism outcomes and impacts; and (4) enhance recognition and understanding of tourism as a vehicle for economic and social development.

Commitment to the policy goals in the Charter will be demonstrated by submitting and implementing individual and collective action plans and by identifying issues for consideration by other relevant APEC fora. Ministers directed the TWG to enhance working relationships with other APEC fora, in particular, on issues regarding human resources development; mobility of people; services; transportation; customs procedures and other relevant issues, for the purpose of implementing the APEC Tourism Charter.

Ministers adopted the following Deliverables for the Tourism Sector in APEC: "Sustainable Management of Tourism Outcomes", "Establishment of a Tourism Information Network" and the "Tourism Satellite Accounts". Ministers agreed to take immediate actions for their implementation as of the last TWG Meeting, held in Morelia, Mexico, as well as during the Second APEC Tourism Forum, scheduled for April 2001 in Kuala Lumpur, Malaysia. The next TWG Meeting will be held in Kuala Lumpur before the realisation of the Second APEC Tourism Forum.

Mexico will host the Second Meeting for APEC Tourism Ministers in 2002.

### Next Steps

- The TWG's work program will focus on:
  - Delivering on the Four Policy Goals agreed to by APEC Tourism Ministers
  - Submitting and implementing individual and collective action plans:
    - Actions on the three deliverables agreed to by APEC Tourism Ministers
    - Preparation for the 2nd APEC Tourism Forum, Malaysia 2001
  - Facilitating tourism movements and removing travel barriers, including

the identification of all impediments to travel movements; identification and selection of manageable impediments for possible elimination or facilitation; and promotion of the economic importance of tourism in APEC economies.

- Promoting tourism as a means to achieve sustainable economic development focusing on best business practices.
- Developing human resources in the tourism industry through standardisation of skills, identification of training needs over a projected period, and promotion of best business practices.
- Exchanging tourism information which focuses on: enhancing cooperation between the public sector and the business/private sector; establishment of effective means to exchange relevant information; support to cooperative programs; and access to communication networks.
- Promoting further dialogue and information sharing exercises with other APEC fora, such as the Group on Services (GOS) and the Transportation Working Group (TPT), amongst others.

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Trade Promotion

## Trade Promotion

The Working Group on Trade Promotion (WGTP) first met in Seoul in June 1990. Its objective is to contribute to sustained economic development and improved standard of living of the people of the Asia-Pacific region by promoting the dynamism of intra-regional trade through a range of activities. The WGTP's work centers on trade promotion activities, trade financing, trade skills and training, trade information, and facilitating business cooperation between the private sector and public agencies including trade promotion organisations.

The WGTP has noticed the rapid development of e-commerce and increasing importance of logistic management in contemporary trade. These issues were discussed at the 12th WGTP Meeting held in Lima, Peru on 6-8 March 2000. Development of e-commerce projects, promotion of technology trade and the implementation of a concrete project on logistic management were also discussed.

### Business and Private Sector Participation

The business/private sector participates in trade promotion activities such as "APEC International Trade Fairs", building up homepages on APECNet and other trade promotion related training programs.

The fairs provide new business opportunities and generate sales for the products and services of the business/private sector as well as networking opportunities among themselves and government officials of member economies. The 4th APEC International Trade Fair was held in Indonesia in October 2000.

The WGTP's encouragement to business groups to establish a network among themselves helped launch the APECNet, which contains information on the WGTP and its activities, and allows the business community to search for business opportunities (including business matching services)

# 1 Activities of APEC Fora (cont'd)

## Trade Promotion (cont'd)

in member economies, by posting inquiries and accessing member economies' homepages.

In WGTP trade promotion related training programs, there is always great private/business participation.

### Achievements

Major achievements in 2000 include:

- Logistics Management Seminar, April 2000, Chinese Taipei
- Training for Building Skills on Marketing Strategies, June 2000, Indonesia
- APEC Seminar on Product Packaging, October 2000, Japan
- 4th APEC International Trade Fair and APEC Business Consultation Forum, October 2000, Indonesia

### Next Steps

The WGTP will continue to develop, support and facilitate intra-regional trade in goods and services by actively encouraging the participation of the business/private sector and trade promotion organisations in the working group's activities, as well as improving trade promotion activities through the sharing of information and knowledge on trade development activities and techniques.

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## Transportation

The Transportation Working Group (TPT-WG) fosters economic development in the Asia-Pacific region through recommendations to increase the efficiency, sustainability and safety of the regional transportation system. The vast distances that characterise the Asia-Pacific region and the dynamic growth of its economies highlight the importance of an efficient transportation system to guarantee further development.

The TPT-WG is organised into three 'steering committees' covering its areas of focus: (1) more competitive transportation industry (including infrastructure); (2) safe and environment-friendly transportation systems (including new technologies); and (3) human resources development. Reporting to each of the steering committees are expert and project groups, which undertake much of the detailed work on individual projects and activities.

### Business and Private Sector Participation

Member economies regularly include business representatives as part of their delegations. TPT-WG meetings often include one-day seminars on transportation topics, to which business representatives are invited. For example, a 1999 seminar on electronic commerce attracted considerable private sector participation. In October 2000, seminars on earthquake preparedness at ports, and road vehicle safety standards harmonisation were held.

The following organisations are approved guests of the TPT-WG:

- International Civil Aviation Organisation (ICAO);
- International Motorcycle Manufacturers Association (IMMA);
- International Maritime Organisation (IMO);
- Intermodal Transport Association (IMTA);
- International Organisation of Motor Vehicle Manufacturers (OICA);
- Federation International de l'Automobile (FIA); and
- Pacific Region Airports

Council International (ACI). Individual economies consult regularly with their private sector and the TPT-WG has a standing contact point with PECC's Transport Committee.

### Achievements

Major achievements in 1999 and 2000 include:

- An interactive web-based *Port Database* to which all economies are encouraged to contribute data.
- Establishment of a "Virtual Centre for Transportation Research, Development and Education"
- Completion of a compendium of success stories on the increased participation of women in the transportation sector.
- Selection and hiring of a consultant to ascertain the existing standards of training facilities, instructors, examiners and curriculum for seafarers throughout the APEC region's existing maritime training institutions; and training equipment in each member economy in order to improve the quality of seafarers in the region.
- The development and dissemination of a *Best Practices Manual* to address Urban Transport Problems in the APEC region.
- A Forum on Intermodalism and Satellite-Based Technologies.
- Since its inception in 1994, the Road Transport Harmonisation Project (RTHP) has led to many concrete actions with respect to the harmonisation of vehicle standards. Many economies have decided to adopt United Nations Economic Commission for Europe (UN-ECE) regulations regarding automotive product. In 1998 the United States signed the UN/ECE 1998 Agreement on Global Technical Regulations and Japan signed the UN/ECE 1958 Agreement (concerning the adoption of Uniform Conditions of Approval for Motor Vehicle Equipment and Parts). Other APEC economies have advised of their intentions to sign one or both of these agreements.

- Establishment of a "Transportation Security Initiative" that provides for a mechanism for increased cooperation and communication on transportation security within the APEC region. An aviation security working meeting was held in June 2000.
- Completion of a project "Safer Shipping in the Asia Pacific Region," which will form the basis for future work in the Maritime Safety Experts Group.

### Next Steps

- 13 APEC economies either currently participate or have indicated their intention to participate in the activities of UN/ECE WP29 thus demonstrating their commitment towards road vehicle safety standards harmonisation. A seminar on Road Transport Harmonisation was held in Miyazaki, Japan on 18 October 2000.
- Developing examples and case studies of the benefits of regulatory and other institutional changes directed to maritime trade liberalisation and facilitation to demonstrate how this can be achieved and the benefits that will flow from trade liberalisation and facilitation.
- A symposium on the "Role of New Technologies and Intermodal Transportation Management in Facilitating Asia-Pacific Trade" will be held in 2001.
- Consideration of measures to promote the mutual recognition of transport professional qualifications.
- Development of a regional action plan for Global Navigation Satellite Systems implementation, in consultation with relevant international bodies such as ICAO and IMO.
- A project on the identification of needed intermodal skills and development of required training programmes will suggest methods to ensure how these skills can be supplied to the workforces of APEC economies.
- A review of the implementation of each of the TPT-WG's eight

recommendations for more competitive air services, taking account of the benefits and difficulties of implementation; and work to identify further steps to liberalise air services on a voluntary basis. Two possible options are the exploration of a plurilateral arrangement by like-minded APEC economies, and the widening of the eight existing recommendations for more competitive air services.

- The 18th meeting of the TPT-WG took place at Miyazaki, Japan on 16-20 October 2000, with the 19th meeting to be hosted by Brunei Darussalam in April 2001. The TPT WG is preparing for the 3rd Transportation Ministerial Meeting to be held in Lima, Peru in October 2001 (following previous meetings in 1995 and 1997).

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## APEC Study Centers Consortium

The APEC Study Centers (ASC) were established as part of the APEC Leaders' Education Initiative in 1993. Currently, there are ASCs in 18 member economies, comprised of some 100 of the best universities, research centres and centres of academic excellence across the APEC region.

A full contact list is available from the APEC website. APEC member economies participate in the Annual ASC Consortium meetings (usually held in the economy chairing APEC in that particular year) and other bilateral or multilateral research activities in accordance with their areas of interests. The mission of the ASC Consortium is to:

- Promote cooperation in higher education and advanced research, and facilitate cultural and intellectual exchanges in the Asia Pacific region, recognising the importance of educational links in developing a sense of community and fostering understanding of the diversity of the region.
- Assist the APEC process by undertaking advanced, collaborative, interdisciplinary and policy-relevant research on issues important to APEC from an independent and longer-term perspective.
- Encourage student, faculty and research exchanges among APEC economies and promote training and other educational programs that address regional needs.
- Encourage the informed participation of other sectors of society, especially youth, the private sector, NGOs, and the media, in dialogues and study relating to APEC cooperation.

### Business and Private Sector Participation

The ASCs represent important academic communities in respective APEC economies and as such the consortium is almost entirely composed of scholars. The business/private sector is not directly involved in the activities of the ASC Consortium.

# 1 Activities of APEC Fora (cont'd)

## APEC Study Centers Consortium (cont'd)

### Achievements

The APEC 2000 Study Centres Consortium (ASCC) was held at the International Conference Centre, Brunei Darussalam on 26-28 May 2000. Delegates present were from all member APEC economies, except Papua New Guinea. The APEC Secretariat and PECC were also represented at the Meeting. The attendance of so many delegates, given the growth in APEC membership in recent years, marks a milestone in the history of the ASCC as new members appreciate the importance of study and research to the APEC process.

The Brunei ASCC was unique in that it was a combined conference with the PECC Trade Policy Forum, and held in conjunction the APEC Human Resources Development Working Group. The Conference culminated in a Joint Dialogue on Human Resources Development on 29 May 2000.

The joint ASCC-TPF Conference as an experiment in joint dialogue, was an outstanding success. With over 140 delegates combined with vibrant and engaging sessions, delegate participation and interest remained high. Issues included The Emergence of Regional Trading Arrangements, The New Economy and the Asia Pacific, Challenges to the Trading System and the Implications for the Asia Pacific.

The aim of the ASC-TPF Conference was to maximise the synergy between the two groups bringing together their experience and knowledge to make a strong impact into the APEC process. The forum opened discussion between academics, policy makers and the private sector on how the region should best respond to the challenges of regional trade and the changes in the trading mechanisms.

The conference began with a brief review of regional growth in the aftermath of the financial crisis. While the macro-economic and development figures have improved, recovery was seen to be generally slow, with continuing financial and investment

risk while restructuring is taking place. The particular topic of Regional Trade Agreements received focused attention as trade issues dominated this year's Conference. Issues of open regionalism, APEC targets of free trade and the ambiguity that arises from WTO Article 24 were discussed. There was a general feeling that there is a need for the development of guiding principles for sub-regional initiatives. In this context, the recent developments in the Japan-Korean Trade Agreement were discussed. While Japan and Korea have developed free trade agreements with other economies, this new Japan-Korea initiative has been met with quite some enthusiasm. Full presentation of these issues is available from the Conference proceedings and can be found through the APEC Secretariat website.

### APIAN

The Asia Pacific International Assessment Network (APIAN) is a collaborative, independent project among participating APEC Study Centers to track and assess the design and execution of selected APEC initiatives. To meet this need for independent evaluation, representatives from APEC Study Centers located in nine APEC member economies convened in January 1999 at the University of California, San Diego, to launch the APIAN experiment, and invited other Centers to participate on a voluntary basis.

In November 2000, APIAN published its first report entitled "Learning from Experience" based on questionnaires sent to experts in APEC member economies.

The APIAN effort to coordinate this broad and international survey is seen as a major step forward in collaboration and a unifying approach to APEC research of macro-socioeconomic issues of particular concern to the APEC process.

New Study Centres Consortiums  
The Brunei ASCC attracted delegates from nearly all member APEC

economies, comprising more than 100 different universities and research centres. While the activities of the Study Centres continue to be numerous, the growth of several new Study Centres Consortiums deserves mention.

i. The Malaysian APEC Study Centres  
The Malaysian ASCs function as a consortium of seven universities, related institutions, and research institutions. Its secretariat is located at the Institute of Malaysia. While the Malaysian ASCC was established during the Asian financial crisis, and received no direct funding from the Malaysian Government, the APEC related activities have been numerous. Research projects include "Globalisation of the Malaysian Economy," "Technology Transfer and Income Distribution in Malaysia," and "Democratisation in Southeast Asia".

ii. The Mexico APEC Study Centre  
The Mexico ASC at El Colegio de Mexico is a founding member of a domestic and regional Latin American research network of APEC Study Centres. Mexico already accounts for a second ASC in the University of Colima and with the coming hosting of the 2002 APEC meetings in Mexico, it is expected that activities will increase. With the El Colegio de Mexico's leadership in Asian Studies since 1964, the ASC, located in the Centre for Asian and African Studies, is the first point of contact in Latin America for Asia and APEC related issues in the academic field. Indeed, the El Colegio de Mexico, by providing consultancy services to private and government bodies for seminars and publications, has become the leading institution in Mexico on APEC affairs.

iii. The Peruvian APEC Study Centres  
In 1997, eight academic institutions jointly established a Peruvian Network for Asia Pacific Studies (REDAP). The main objective of REDAP was to support Peru's effort to become an active member of APEC. At the end of 1999, the Peruvian SOM invited the

network institutions to become APEC Study Centres.

Peru has only recently joined APEC and its authorities have shown much interest in active participation of the academic sector not only in PECC activities but also in APEC fora. It is expected that the output of the Peruvian ASCs will increase in the near future as they become better organised and engaged in task groups as well as APEC related research.

Other ASCs continue to be very active, for examples, with Australia, Japan, Korea, New Zealand, Chinese Taipei and the US, continuing to manage the research programs and develop APEC activities. Of particular interest, the Australian Study Centre is involved in providing assistance and training to China as it prepares for APEC 2001. Two Chinese officials have visited the Monash University, home of the Australian Study Centre, attending a special program of preparation.

Highlights of APEC 2000 ASCC  
In the context of the joint ASC-TPF Conference, the management of regional trading arrangements, and the ongoing development of trading arrangements were of principal concern. Some of the themes developed included:

- Building consensus for a new round of trade negotiations comprising a balance of agenda items and complimentary activities in the WTO as well as APEC.
- The importance of the development dimension of trade and the need to find compatibility between openness, growth and accountability. While openness promises to bring the most benefit to member economies, a comprehensive approach is needed that incorporates and considers institutional, human and other

resources as part of the liberalisation package.

- The role of regional trading arrangements in the trading system for the region. As new RTAs come into play, there is a need to consider again the nature of open liberalisation and the consistency between RTAs and liberalisation policies.

Further to these discussions, the Special Dialogue between the ASC, TPF and HRD Working Group proved to be of particular significance as the idea of championing issues for APEC to focus on and develop was tabled. Since APEC's conception, many issues have been discussed and much progress has been made, but it was suggested that it is perhaps time to identify several issues to be championed to bring APEC resources to bear on achieving a number of desired outcomes.

Certainly, the collaborative effort to conduct surveys of APEC implementation in member economies by the ASCC is an adventurous undertaking. But the ASCC continues to look for ways to contribute by way of its research and deliberations into the APEC process.

### Next Steps

- The Consortium is to continue to provide a forum for the reporting and peer review among the consortium members of ongoing research on a wide range of APEC issues.
- The present status of the ASC provides the most realistic basis for fulfilment by the ASC of their function of providing an independent source of ideas, research and analysis on APEC-related issues.
- China will host the ASC Consortium meeting in 2001.

### APEC Study Centers - Key Contacts

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## 2 Other APEC Activities

### Sustainable Development

The APEC Leaders' *Economic Vision Statement* at Blake Island, Seattle, USA in November 1993 stated, "Our environment is improved as we protect the quality of our air, water and green spaces and manage our energy resources and renewable resources to ensure sustainable growth and provide a more secure future for our people". This statement provides the mandate for APEC's work on sustainable development.

Ministers of the Environment met in Canada in March 1994 and adopted an *Environmental Vision Statement* and a *Framework of Principles* for integrating economic and environment issues. The APEC Economic Leaders' Declaration for Action issued during the Leaders' Meeting in Osaka in November 1995 reaffirmed the integration of environment and sustainable development into APEC activities. The APEC Economic Leaders' Declaration in Vancouver in November 1997 stated that "Achieving sustainable development at the heart of APEC's mandate", and reiterated their commitment at their 1998 Meeting in Kuala Lumpur: "... to advance sustainable development across the entire spectrum of our workplan ...".

#### Business and Private Sector Participation

At the Environment Ministers' Meeting for Sustainable Development in Toronto, Canada (June 1997), an APEC Business and Municipal Leaders' Forum on Sustainable Cities was held. The meeting attracted participants from all APEC economies and provided an opportunity for APEC business and municipal leaders to give input into the deliberations of the Environment Ministers' Meeting. The three-day forum on Sustainable Cities incorporated eight workshops: air pollution, water and wastewater management; waste management; cleaner production; public-private partnerships, privatisation of environmental services; policy and regulatory reform; and financing strategies.

#### Achievements

The APEC Ministers in 1996 decided that the APEC Senior Officials were to prepare an annual review of activities of sustainable development in APEC, to monitor the development and implementation of sustainable development initiatives as well as to coordinate and provide guidance to APEC fora. There have been four annual reviews: 1997, 1998, 1999 and 2000 reviews. Through the reviews, it was found that the number, scope and significance of the APEC activities in sustainable development being undertaken are considerable, indicating that the issue is being addressed fairly broadly across APEC. Almost all the APEC fora have demonstrated responsiveness to sustainable development concern, and in several cases, fora were working together to jointly implement sustainable development activities.

#### Next Steps

The Senior Officials review the APEC activities in sustainable development regularly in consultation with Chairs and Lead Shepherds of all APEC fora, including the APEC Senior Economic and Environment officials.

In addition, as one of the six priorities of the Manila Framework is "Safeguarding the Quality of Life through Environmentally Sound Growth," the ECOTECH Sub-Committee reviews the progress of this cross-cutting ECOTECH theme and reports its implementation across APEC fora to the Ministers every two years.

#### Sustainable Development - Key Contacts

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### Gender Integration

The SOM, in strengthening the institutional capacity of the implementation of the *Framework*, established the SOM *Ad Hoc* Advisory Group on Gender Integration (AGGI). The role of the AGGI is to provide gender advice and expertise to SOM, and other APEC fora on the implementation of the *Framework*. The Group will complement the responsibility and accountability of individual APEC fora for the implementation of the *Framework*.

The Ad Hoc Advisory Group was tasked by the *Framework* with four critical tasks:

- The publication, dissemination and distribution of the *Framework for the Integration of Women in APEC*;
  - Holding Gender Information Sessions (GIS): the AGGI has developed gender information sessions for the APEC fora on the *Framework* and process of implementation of its elements. GIS have been undertaken by 17 APEC fora, including SOM and the APEC Secretariat;
  - Gender Criteria for use in APEC project proposals, approval and evaluation report had been developed for incorporation into APEC project proposals, approvals and evaluation forms. These Gender Criteria have been incorporated into the revised APEC Project Proposals and Evaluations Forms;
  - Gender Mainstreaming Good Practices Book: AGGI is overseeing the compilation of good practices of gender integration in APEC fora and economies. These good practices link the work of various fora and provide a practical source of case studies on gender analyses and mainstreaming.
- To complement the four critical tasks, AGGI is also undertaking a sex-disaggregated data project. A two-week workshop entitled "Analysis and Evaluation of Gender Statistics" will provide training on methods and procedures to evaluate the quality and relevance of sex-disaggregated data and how to produce a brief report using these data which can then be used to

assist policy makers in decision making.

#### Next Steps

AGGI is to provide GIS to the other APEC fora which have not yet undertaken one as well as to providing advice to all APEC fora on further implementation of the *Framework for the Integration of Women in APEC*.

#### Gender Integration - Key Contacts

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### Sustainable Economic Recovery

#### Introduction

Throughout the APEC region, economic recovery from the 1997-98 financial crisis spread is firmly entrenched in many economies. Most economies are well on their way to recovery and many are returning to substantial levels of economic growth. The main focus of APEC members in the year 2000 was to ensure that this recovery continues and strengthens and that there is no return to crisis. There is a concern by some that the recovery may lead to complacency and that needed reforms may not be undertaken. APEC members hope to guard against that possibility and instead implement the changes in economic and financial infrastructure to make a new crisis less likely. The recent high oil prices have reminded economic policy-makers that their economies are still very much reliant on imported oil and susceptible to external economic shocks. Should oil prices be sustained at these levels, there is growing concern about the impact on economic growth and stability. This concern was reflected in the communique that the APEC Finance Ministers issued at the end of their 9-10 September meeting in Brunei Darussalam, which is summarised below. At their 15-16 November meeting in Brunei Darussalam, APEC Economic Leaders took up the same theme, calling for appropriate measures to promote stability for both consumers and producers.

#### The APEC Leaders

At their November meeting in Brunei Darussalam, APEC Economic Leaders reiterated their resolve to work together to support a sustained recovery in the region and to avoid complacency in continuing to improve their economies. Their specific directives included:

- ensuring that APEC's economic and technical cooperation programs are clearly targeted and focused;
- committing to developing and implementing a policy framework to enable the people of urban, provincial and rural communities to have access to the Internet by 2010;

including tripling the number in the region with individual and community-based access by 2005;

- launching a wide-ranging Action Agenda for the new economy to outline programs to boost productivity, stimulate growth and extend services to the whole community;

- calling for further exchanges between a broad group of systemically significant economies on how best to meet the challenges of globalisation;
  - endorsing work to strengthen the international financial architecture, particularly in the areas of surveillance and crisis prevention
  - applauding the work of the APEC Finance Ministers in the area of building capacity in a number of different areas, including skills development of financial regulators and insurance regulators and in working towards insolvency law reform and financial disclosure.
- Leaders also welcomed the work undertaken in several fora to strengthen the international financial system and supported continuing it in a process involving both industrialised and emerging market economies. Leaders encouraged the efforts of Finance Ministers to strengthen domestic markets and secure the foundation for the return of capital to the region by:
- developing a Voluntary Action Plan for Freer and More Stable Capital Flows, calling on APEC members to implement sound and credible financial policies;
  - establishing an APEC working group to survey the domestic legal and regulatory frameworks for fighting financial crime;
  - establishing an APEC working group to examine issues related to electronic financial transactions;
  - producing a study of APEC economies' experiences in managing bank failures, with the goal of developing a set of recommendations based on case studies that illustrate lessons from managing bank failures in the APEC region.

## 2 Other APEC Activities (cont'd)

### Sustainable Economic Recovery (cont'd)

Leaders also welcomed the recommendations from the APEC Business Advisory Council and thanked the members of ABAC for their contribution in areas such as capacity building, finance, and e-commerce.

#### The Finance Ministers Meet in Brunei Darussalam

The APEC Finance Ministers process continues to advance its work on collaborative initiatives to promote development of regional financial and capital markets, and to support freer and stable capital flows in Asia-Pacific.

Reflecting closer coordination with the rest of APEC, Finance Ministers now meet in the economy that holds the APEC Chair. At their September 2000 meeting in Bandar Seri Begawan, Brunei Darussalam, Finance Ministers welcomed the significant progress the cooperative growth strategy has yielded in stabilising financial markets and improving the economic outlook. However, they also stressed that continued strengthening of macroeconomic fundamentals and the pursuit of structural reforms are needed to secure financial stability and sustainable economic growth in the region. Finance Ministers also:

- Welcomed the progress made in developing international standards, codes and best practice guidelines in a wide range of areas, including regulation and supervision of banking, securities, and insurance; corporate governance; economic data dissemination; and transparency of monetary, financial and fiscal policies;
- Called on all International Financial Institutions to continue their efforts to strengthen their own governance and accountability, and to improve transparency; and
- Asserted that private sector participation in the prevention and resolution of crises remains a major challenge. In that regard, the Finance Ministers tasked their Deputies to work with business/private sector groups such as the APEC Financiers

Group, ABAC and the Pacific Economic Cooperation Council (PECC) to study business recommendations for strengthening financial markets and institutions and implementing them in on-going work.

Finance Ministers also reviewed progress on their various collaborative initiatives to strengthen regional financial and capital markets and to support freer and more stable capital flows in the Asia-Pacific region. Work has proceeded on a range of initiatives, as described below.

- Promoting freer and more stable capital flows. The Finance Ministers resolved to continue policy reforms that enable economies to take advantage of the opportunities available in international capital markets. They resolved to establish within APEC a voluntary policy dialogue on strengthening financial markets, particularly focusing on issues related to the implementation of international financial standards and codes.
- Strengthening financial systems. Ministers instructed their Deputies to undertake a study of APEC economies' experience in managing bank failures, with the goal of developing a set of recommendations based on case studies that illustrate the various lessons drawn from the management of bank failures in the APEC region. The Ministers welcomed the progress made in strengthening financial systems through the development of training programs for banking supervisors and securities regulators. They resolved to extend this initiative for a further two years, focusing on more intensive work to assist national regulatory organisations to implement model curricula, and continued provision of regional courses. Ministers also welcomed Australia's offer to lead a three-year project on managing regulatory change in life insurance and pensions.
- Strengthening economic and corporate governance. Ministers welcomed the efforts of the OECD and the World Bank to raise awareness of and the commitment to corporate governance reforms in the region through Roundtable discussions. They announced that APEC would undertake a policy dialogue on strengthening corporate governance in the APEC region starting in early 2001. The Ministers have also formed a taskforce on company accounting and financial reporting to improve the quality of financial disclosure and auditing practices in APEC economies. Ministers also recognised the importance of strengthening transparency and disclosure standards for all market participants and look forward to the report on the results of the survey of Credit Rating Agencies that has been undertaken.
- Fighting financial crimes. Ministers welcomed the agreement to establish an APEC working group that would conduct a survey of the domestic legal and regulatory frameworks for fighting financial crimes, building on work already completed by APEC members of the Asia/Pacific Group on Money Laundering. Ministers also encouraged the International Financial Institutions to work further with their members in developing sound financial and capital markets and good governance.
- Improving social safety nets. The on-going review of administration of social safety nets in the APEC region has developed three main themes: (1) the need for adequate pre-crisis safety net planning; (2) the importance of accurate and timely information on poor and vulnerable groups; and (3) the need to have a range of instruments to ensure adequate targeting and coverage. The Ministers undertook to develop a set of guidelines for responsive and fiscally manageable social safety nets to present to APEC Leaders.

- Creating new opportunities with information technology. Ministers called on economies to formulate and implement appropriate policies and arrangements to facilitate electronic financial transactions and supported efforts by APEC member economies and the International Financial Institutions to ensure that the benefits of information technology are as widely shared as possible. They agreed to establish a working group on electronic financial transactions systems to develop and implement programs to foster paperless trading in collaboration with the E-Commerce Steering Group. Ministers also urged APEC Customs to enhance harmonisation of customs data elements, taking into account the outcomes of the G-7 Experts' work. The Finance Ministers will meet next on September 6-9, 2001 in Suzhou, China.

#### Other APEC Forums

- Korea sponsored the APEC Forum on Shared Prosperity and Harmony that was held in Seoul on 30 March to 1 April 2000. At this meeting, member economies shared experiences in the course of overcoming the economic crisis, discussed how best to coordinate policies to prevent the recurrence of such crises, and explored ways of redressing the disparities generated between economies and within societies. Korean President Kim Dae Jung at the Forum proposed that a "Hedge Fund Monitoring Channel" be established to contribute to the stability of financial markets. He also urged that APEC economies develop a "Foreign Exchange Crisis Forecast Model" to provide advance warning of the risk of economic crisis. Finally, in addition to asking that North Korea be allowed to participate in APEC activities, the Korean President called for an "APEC Cyber Education Network" to help address the digital divide. These and other proposals

presented at the Forum will be taken up by several APEC fora during the year.

- APEC's Ministers for Small and Medium Enterprises (SME) SME Ministers met in Bandar Seri Begawan on 21-23 June 2000, capping off a week during which there were concurrent meetings of the SME Business Forum, the Women Leaders' Network, the E-Commerce Workshop, as well as the Ad Hoc Policy Level Group on SMEs. Some of the key results of these meetings include:
  - Capitalising on E-Commerce: There was broad consensus that governments could help SMEs overcome the high costs of investment in information and communication technology by creating an environment more favourable to E-commerce. Ministers instructed relevant APEC bodies to expedite on-going work on reducing the cost of access to the Internet.
  - Financing for SMEs: In addition to urging economies to promote the development of capital markets in the region, Ministers instructed the Policy Level Group to work with other APEC fora to establish an APEC database on start-up companies and venture capital.
  - Capacity Building: Ministers instructed their Policy Level Group to develop cooperation programs for submission to the APEC Economic Leaders in November. SME Ministers will meet next on 26-31 August 2001 in Shanghai, China.
  - Energy Ministers met in May 2000 in San Diego, USA. The Ministers stated their conviction to make their best efforts to pursue simultaneously economic growth, energy security, and environmental protection. In addition, Ministers:
    - Endorsed technology cooperation initiatives to diversify the energy mix, improve energy efficiency, deploy new and renewable energy technology, reduce costs, facilitate

energy business and trade, and mitigate damages to energy infrastructure after natural disasters.

- Agreed to work on a strategy to implement a number of earlier initiatives including non-binding energy policy principles, strengthening the policy dialogue among member countries, a voluntary pledge and energy efficiency initiative, cooperation with the Energy Working Group Business Network and the Energy Regulators' Forum, and a program to identify best practices for energy services.
  - Agreed that the implementation initiative would include a system of voluntary, annual self reports on implementation by member economies.
- A year earlier, the Energy Investment Workshop held on 19-20 April 1999 in the United States, stressed, inter alia, the need for transparency, predictability and non-discrimination in energy policy and regulatory regimes.
- APEC HRD Ministers met in Washington, DC, USA, in July 1999 and adopted an action plan for the economic crisis incorporating policies and programs on the functioning of labor markets, social safety nets and enhancing productivity through better workplace practices.
  - Tourism Ministers met on 5-7 July 2000 and endorsed the APEC Tourism Charter, which reflects a collective commitment to improve the economic, cultural, social and environmental well being of APEC member economies through tourism.
  - The Economic Committee delivered the three reports listed below to Ministers in November 2000. Their core messages are relevant to sustainable recovery issues. The EC also prepared a brief "Economic Committee's Annual Report to Ministers", highlighting key findings of the three published reports.
    - (1) 2000 APEC Economic Outlook
    - (2) APEC Economies beyond the Asian Crisis (Beyond-the-Crisis project)

## 2 Other APEC Activities (cont'd)

### Sustainable Economic Recovery (cont'd)

#### (3) Towards Knowledge-Based Economies in APEC (KBE project)

All reports address central economic issues of interest for Leaders, Ministers, and the APEC community. Major issues taken up this year include:

- Economic conditions (Recent developments and short-run prospects in the APEC region)
- Trade (Growing interest in forging regional trade arrangements (RTAs))
- Challenges for future growth (Implications of the Asian crisis, information technology, and entrepreneurship)
- Long-term projection (Projection of growth and trades over the next decade)
- Knowledge-based economy (KBE) (Full analysis on the emerging trend towards KBEs) (Specific actions to promote KBEs in the APEC region)

The following are some highlights of the three reports.

- 2000 Economic Outlook: Examining developments in APEC economies to date, the Outlook confirms that the Asian crisis has been contained, and economic recovery is now more prevalent in the APEC region as a whole. The prospects over the next twelve months or so remain generally positive. Yet, there are some significant downside risks including the recent surge in oil prices. The Outlook revisits the Asian crisis, giving final assessments that the crisis was exacerbated by a combination of several factors including structural weakness and the lack of transparency in the financial and corporate sectors, and that economic reforms must squarely address these factors. Finally, the Outlook looks at the structural issue of the emerging trend towards regional trade arrangements (RTAs), bearing in mind its implications to the multilateral trading system.
- The Beyond-the-Crisis Report focuses

on long-term prospects of APEC economies beyond the Asian crisis, highlighting key issues for building the future of APEC economies. The report identifies two major challenges for future growth; the remaining challenges from the Asian crisis and the emerging challenges of the new economy. The Asian crisis has had important long-term implications on APEC economies that future growth would be hindered unless structural weaknesses revealed by the crisis are redressed. The new economy driven by information technology presents both opportunities to promote higher living standards and huge challenges in taking advantage of new technologies. Fostering entrepreneurship has become an effective way to promote growth and employment. The well-developed SME sector is the hotbed for new businesses. A case study on Chinese Taipei's economy underlines the dynamic role of SMEs in economic development. Finally, APEC must also muster efforts to build future growth through: strengthening markets; E-commerce and technology cooperation; entrepreneurship and SME development; education and life-long learning; and social safety nets.

• Towards Knowledge-Based Economies in APEC aims to provide the analytical basis useful for promoting KBEs in the APEC region. A survey of the status of KBE of various APEC economies suggests that certain characteristics are preconditions for moving toward a KBE. They include: high quality education services both widely available and widely used; advanced communications network and policy/regulatory framework that encourages competition and supports the development and use of information hardware and applications; cultural background being open to new ideas, especially those from outside; social, political,

economic and legal framework conducive to the development of the characteristics above. APEC economies can learn the policies that have been adopted to build the infrastructure of a KBE from other APEC members both at the same stage of development and at different stages of development. Much scope exists for cooperation within APEC in four key dimensions related to promoting KBEs: business environment, innovation systems, human resource development, and information and communication technology. The report recommends three specific actions for APEC cooperation: establish a "Knowledge Clearing House", which aims to exchange various types of knowledge; generate "Igniting Policies" for triggering the transition to KBEs; include "KBE Status Indicators" in the APEC Economic Outlook, which provide information regarding how APEC is progressing towards KBEs.

- The 1999 Infrastructure Workshop undertook analytical work on the impact of the economic crisis on infrastructure demand, supply and government policies. Its main project, on regional integration for sustainable economies, highlighted the importance of having the right infrastructure in place to support economic development – a key issue for economies emerging from the crisis.
- Japan and Thailand co-hosted an APEC Symposium on the Asian Economy in July 1999 in Tokyo. Government, business and academic experts discussed short-, medium- and long-term measures to respond to the crisis and prevent any recurrence.
- Australia has made available to other economies the results of a survey it commissioned on economic governance capacity building needs, programs underway to meet those

needs, and gaps that could be filled by APEC economies and international agencies. The initiative, welcomed by APEC Economic Leaders and Ministers, suggests ECOTECH activities to build capacity in economic governance that individual economies could undertake.

- At the 2000 APEC Study Centers Consortium Conference in Bandar Seri Begawan the Study Centers continued their post-crisis work in the areas of managing finance, managing e-commerce, managing regional relationships, and managing HRD. In addition, the Centers has helped create the Asia Pacific International Assessment Network (APIAN) which will conduct regular independent assessments of key APEC activities in both trade and investment liberalisation and facilitation and economic and technical cooperation.
- An APEC Forum on Human Resources Development was held in July 1999 in Japan. It focused on the short-term vocational training needs of workers affected by the crisis, as well as longer-term policies on vocational training to cope with globalisation.
- The 4th APEC Investment Symposium in September 1998 in Kuala Lumpur, Malaysia, included a session on the impact of the crisis on investment trends and government policy responses, including changes to investment regimes. The discussion addressed changing business perceptions of investing in the region in the wake of the financial turmoil and concluded that economies need to work toward policies that reduce risk and create a conducive environment for investment. The 5th APEC Investment Symposium was held in China in March 2000.
- To facilitate access to information and analysis on social and economic impacts of the crisis and the subsequent economic recovery in the region:

- the United States created a Virtual Task Force on the Social Impact of the Financial Crisis; and
- Australia established the Asia Recovery Information Center (ARIC), a resource housed at the ADB.

APEC is developing, using these institutions, mechanisms to exchange information on social safety net issues for crisis-affected economies, drawing on APEC and other initiatives in this area.

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## 2 Other APEC Activities (cont'd)

### Management Review

Since its formation in 1989, APEC has evolved rapidly and has grown in substance and purpose. Member economies have developed a comprehensive work program to achieve common prosperity through trade and investment liberalisation, business facilitation and economic and technical cooperation, and have undertaken activities to carry them forward. To keep the process streamlined, to produce practical results in line with APEC's objectives, and to ensure that the limited resources of member economies are deployed most effectively, APEC embarked upon a three-year (1998-2000) management review program. It aimed to examine and rationalise the structure within which APEC business is operated by reviewing the mandates, roles and interrelationships of the various committees, working groups and other parts of the APEC network.

#### Achievements

Further to the achievements in both 1998 and 1999, additional measures to increase the efficiency and effectiveness of the APEC process were endorsed and taken by both the Senior Officials and the Ministers in 2000. The major measures are:

- Adoption of Criteria for the Establishment of New APEC Fora;
- Adoption of mechanisms for developing greater links with APEC Financial Ministers' process; and
- Redesignation the PLGSME as the Small and Medium Enterprises Working Group (SMEWG) and ATC as the Agricultural Technical Cooperation Working Group (ATCWG).

#### Next Steps

While the three-year management review program has been concluded successfully, APEC will continue its efforts to streamline the APEC process on an ongoing basis.

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### Electronic Commerce

The APEC Electronic Commerce Steering Group (ECSG) was established by the SOM in February 1999. The role of the Steering Group is to ensure continued coordination of APEC e-commerce activities and to pursue the work programme set out in the *APEC Blueprint for Action on Electronic Commerce*. The ECSG meets once a year but continues to conduct its business throughout the year as a 'virtual' group using electronic means of communications. The 1st ECSG meeting was held on 27-28 June 1999 in Auckland, New Zealand and the second meeting held in Bangkok, Thailand in July 2000. The ECSG's two year term will expire in 2001 and it will be reviewing its mandate and reporting its recommendations to SOM I in Beijing in February 2001.

#### Business and Private Sector Participation

It is generally recognised that the private sector is taking the lead in the development and application of electronic commerce. The role of government is to provide an environment, particularly the legal/regulatory framework that is conducive to the development of e-commerce. Therefore it is essential for government and the private sector to work closely together. The private sector has been active participants in all ECSG meetings. APEC e-commerce activities such as the APEC E-commerce Convention in Tokyo in May 2000, the APEC 2000 SME E-commerce Workshop in Brunei Darussalam in June 2000 and the Consumer Protection Workshop in Bangkok in July 2000 all had extensive private sector participation.

#### Achievements

The E-Commerce Steering Group met 20-22 July 2000 in Bangkok. A one-day workshop on electronic commerce and consumer protection was held followed by a day and one-half meeting of the Steering Group. The Workshop and ECSG meeting addressed three objectives: (1) carry out the mandates

of the 1999 Ministerial Meeting, specifically on Consumer Protection; (2) follow-up on the guidance on paperless trading from Ministers Responsible for Trade (MRT) and results of the Tokyo E-Commerce Convention; and (3) review progress in carrying out APEC e-commerce Blueprint. Some of the ECSG's activities in 2000 are as follows:

- Consumer protection: The workshop identified a clear need for information sharing and a need for compatible consumer protection frameworks in APEC economies in order to promote consumer trust and ensure effective enforcement of consumer protection laws.
- Legal Framework: The ECSG has undertaken a survey to be completed prior to the November Ministerial on progress towards the adoption and/or modification of laws in a manner consistent with the UNCITRAL Model law.
- Authentication: The ECSG reviewed the ongoing work by the TEL experts group which includes a regular series of workshops and a series of information papers and concluded that both public and private sector leaders need to be familiar with emerging authentication technologies and business practices.
- Paperless Trading: The ECSG followed up on the MRT and SOM by reviewing a proposed questionnaire for the paperless trading matrix. Some potential overlap was identified between the work of the Sub-Committee on Customs Cooperation (SCCP) and the Transportation Working Group (TPT WG). The ECSG co-chairs agreed to help coordinate among the various APEC fora involved, especially the SCCP and the TPT. A final questionnaire will be completed in time to provide a report to SOM I in 2001.
- Tokyo E-Commerce Convention: As directed by the MRT the ECSG examined key outcomes of the Convention with respect to the APEC

action, namely, the need for a seamless and compatible legal and regulatory framework; E-government; and training and education.

- Training and Human Resources: The ECSG identified a large number of proposals and initiatives, both within APEC, the private sector and other international fora such as the ITU. The ECSG concluded that the scope and content of this issue requires a coordinated approach involving all key players. The PECC has agreed to bring together all interested parties including APEC fora, other international organisation active in the region and private sector groups.
- E-Government: Both the Tokyo Convention and the Brunei workshop identified e-government as an important element in promoting the development of e-commerce and especially SME use of e-commerce. The ECSG supports the idea of a conference to promote exchange of information and best practices.
- Readiness: The ECSG noted the number of assessments completed and relevance of this work to other e-commerce activities such as paperless trading, establishing compatible legal frameworks, developing infrastructure.
- APEC E-Commerce Work Programme: The ECSG took note of the emerging focus in electronic commerce of so-called end-to-end solutions that encompass areas outside the purview of the Blueprint such as logistics. It also noted that the Blueprint Work Programme references to achieving a seamless legal/regulatory environment, the promotion of e-government and the need to address education and training requirements do not fully reflect the increasing attention and priority being given to them in APEC.

#### Next Steps

For 2001, the ECSG has taken inputs from APEC e-commerce events in 2000, including the APEC E-Commerce Convention in Tokyo in May 2000, the

SME E-Commerce Symposium in Brunei in June, the Consumer Protection Workshop and ECSG meeting in Bangkok in July, and produced a set of recommendations which were endorsed by SOM and Ministers in the context of widening the scope of APEC's e-commerce work programme. These recommendations include continuing work on consumer protection, electronic signatures, authentication, legal and regulatory frameworks, training and education, e-government and e-commerce readiness assessment.

Indeed, the Ministerial statement recognised "the need to improve consumers' trust and confidence in e-commerce", and "endorsed a work programme leading to a favourable as well as compatible legal and regulatory frameworks on consumer protection, electronic transactions documents and signatures across APEC". The ECSG could also participate in carrying out the Leaders' instructions to Ministers to develop and expand the APEC Action Agenda on the New Economy.

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## 2 Other APEC Activities (cont'd)

### APEC Food System

In November 1998, APEC Economic Leaders renewed their resolve towards creating a prosperous Asia-Pacific community. Part of this resolve included Leaders' endorsement of joint actions to be launched in the area of food in relation to economic and population growth in the region and an instruction to implement those joint actions. Leaders instructed APEC Ministers to study the APEC Business Advisory Council's APEC Food System proposal. Following this instruction, at SOM I in February 1999, APEC Senior Officials established an ad-hoc task force to study ABAC's proposal for an APEC Food System. The report on APEC Food System was submitted to and endorsed by the Ministers and Leaders meeting in Auckland in 1999.

#### Business and Private Sector Participation

The Task Force was established to study the ABAC's proposals. The Task Force also examined input from and research conducted by the APEC Study Center.

#### Achievements

The Leaders' Meeting and Ministers' Meeting held in September in New Zealand endorsed the Task Force's study and recommendations. This is the first comprehensive report and recommendations which cover various areas and diverse issues of food.

The Task Force's study is based upon ABAC's proposals in food sector, which:

- efficiently link together food producers, processors and consumers;
- harness the resources of the region to more securely meet consumers' food needs; and
- maximise the contribution of the food sector to the wealth and prosperity of all economies.

The report focuses on the three main areas of cooperation identified in the ABAC's proposals: rural infrastructure development; dissemination of technological advances; and promotion of trade in food products.

The Task Force recommendations to SOM include:

- (i) SOM recommends to Ministers that they note that achieving the objectives of ABAC APEC Food System proposal is an essential part of achieving sustainable growth, equitable development and national stability in the APEC region and of reaching the specific goals and objectives agreed at *Bogor* in line with the *Osaka Action Agenda*;
- (ii) The Human Resources Development Working Group places high priority on addressing the issue of rural education, and member economies undertake cooperative measures with non-government, non-profit organisations to improve the availability of rural education;
- (iii) The Infrastructure Workshop's joint initiatives in infrastructure development be actively encouraged by, and the benefits of these initiatives communicated to, member economies;
- (iv) The APEC Investment Experts' Group, in conjunction with the World Bank, Inter-American Development Bank, Asian Development Bank and the Food and the Agriculture Organisation of the United Nations and other bodies as appropriate, investigates new and innovative ways to attract the investment necessary to build facilities and rehabilitate existing rural infrastructure;
- (v) The Small and Medium Enterprises Policy Level Group could undertake and intensify work on the three areas of cooperation identified by ABAC's APEC Food System proposal;
- (vi) Relevant APEC fora, including the Committee on Trade and Investment, Economic and Technical Sub-Committee and the ATC EG continue to undertake and intensify their work on trade facilitation, economic and technical cooperation and capacity building on food-related issues including:

- Provision of clear, predictable and easily understood food regulatory frameworks and standards;
  - According priority to those projects that assist the facilitation and growth of regional trade in food products and improve the technical infrastructure for developing economies;
  - Provision of progress reports to SOM on endorsement of existing initiatives, such as the Food Mutual Recognition Arrangement;
  - Furthering cooperation in research and development and dissemination of food-related technology;
  - Building partnerships between the public and business/private sectors in food technical cooperation to further technology transfer, training facilities and training programs;
  - Fostering environmentally sound agricultural practices; and
  - Maintaining an awareness of and contributing to international developments in research and policies related to genetically modified foods, and intensifying science-based approaches to the introduction and use of biotechnology products.
- (vii) APEC member economies continue to ensure full and faithful implementation of the commitments on food arising from the Uruguay Round of multilateral trade negotiations;
  - (viii) APEC member economies, in line with the *Osaka Action Agenda* and noting ABAC's call for the elimination of unnecessary impediments to trade in food products ahead of the *Bogor* goals:
    - Provide greater specificity in their Individual Action Plans on how they are going to meet the long-term *Bogor* goals in the food sector;
    - Actively and constructively participate in the forthcoming WTO negotiations on agriculture that would further consider tariffs and non-tariff measures in the context of Article 20 of the WTO's

Agreement on Agriculture; and

- In the forthcoming negotiations on agriculture, convey to the WTO membership APEC's support for the abolition of agriculture export subsidies and unjustifiable export prohibitions and restrictions.

(ix) SOM, through relevant fora, provides annual reports to Ministers on what progress is being made by APEC member economies towards building a robust APEC Food System.

SOM I tasked member economies and relevant fora/sub-fora to submit a report on progress in implementation of the APEC Food System recommendations. A summary of the compiled reports includes:

On the whole, the AFS recommendations are being implemented by most of the tasked fora indirectly and in broader terms. CTI and its sub-fora, with the exception of SCSC, have not implemented AFS recommendations in a direct sense but the progress achieved in advancing APEC's agenda on trade and investment facilitation and liberalisation indirectly support AFS. The SCSC's project on food and drug interface aims to seek specific guidelines for good regulatory practice for food and drug interface and principles of certification of such products (exploration of APEC agreed form of certification).

ESC reports that it does not have mechanism to influence the prioritisation of projects by APEC fora that assist with the facilitation and growth of regional trade in food products and improve the technical infrastructure for developing economies. However, with the development of appropriate food regulatory frameworks and standards by the SCCP and SCSC, the ESC will consult with the TP WG to see if it could assist in the promotion of trade in food products including through trade fairs.

ATC has actively implemented the AFS recommendations. A key outcome for the group this year is the Biotechnology Report endorsed by

Trade Ministers meeting in their Darwin meeting. Further concrete steps to be taken by the ATC include two workshops in biotechnology to be organised in 2000 and 2001. The workshops will focus on how to enhance the general public's understanding of biotechnology by exchanging information on best practices in member economies and addressing environmental issues.

HRD's task on accessibility to and quality of rural education focuses on utilisation of Internet education in remote areas. SMEWG has taken a broad approach with their programs, which focus on further developing APEC's business outreach with respect to SMEs and interaction between government and private sector. The Infrastructure Workshop has, in collaboration with PECC, the ADB and the World Bank, made tremendous progress in developing a strategy to improve rural infrastructure and implementing it through the Regional Integration for Sustainable Economies (RISE) project.

Among the fora which were not tasked to report, IST is identified as having some activities contributing to implementation of AFS. The working group's post harvest project aims to establish an Internet-based network along with a virtual post harvest R&D center.

Members reported that they are faithfully implementing the recommendations that SOM tasked them to report on. Member economies abide by the WTO agreements in agriculture and food, fully support APEC's position in WTO negotiations on agriculture, and have made progress towards achieving *Bogor* goals in the food sector through such efforts as restructuring import tariffs, eliminating unnecessary impediments to trade in food and strengthening cooperation on capacity building and information sharing in agricultural technology. The reporting economies continue to take steps to upgrade educational infrastructure and facilities to provide training in rural areas to implement

the recommendations on improving the availability of rural education.

In Brunei Ministers and Leaders endorsed the AFS report and reconfirmed their commitment to address in parallel three areas of cooperation and urged APEC fora and Members to increase momentum in this regard.

#### Next Steps

SOM I in 2001 will review the need for the re-establishment of *Ad-hoc* Task Force on AFS to enable closer monitoring of AFS implementation and maintain an effective overview of progress. Members and tasked fora are also requested to continue to provide the Ministers' and Leaders' meeting next year with a report on the progress made in the implementation of AFS during 2001.

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### 3 The APEC Secretariat

#### APEC Secretariat

The APEC Secretariat, located in Singapore, was established in 1993 to serve as the core support mechanism for the APEC process. It currently comprises 23 officials seconded by member economies for fixed terms and a similar number of locally recruited support staff.

The Secretariat's operational plan comprises six outputs (and four services) based on the following Statement of Business, approved by member economies.

##### Statement of Business

- The Secretariat is the core support mechanism for the APEC process.
- The Secretariat provides advisory, operational and logistic/technical services to member economies and APEC fora to coordinate and facilitate conduct of the business of the organisation.
- On behalf of member economies, it provides preparatory advice on formulation of APEC projects, manages project funding and evaluates projects funded from the APEC Operational and TILF Accounts.
- The Secretariat provides information and public affairs support to promote APEC's role and activities through its publications, media, business and outreach programmes and through the maintenance of a website. It also performs public affairs functions on behalf of APEC members when required.
- The Secretariat maintains a capacity to support research and analysis in collaboration with APEC Study Centres and PECC as required by APEC fora.
- The Executive Director is responsible to APEC Senior Officials through the SOM Chair and manages the Secretariat in line with priorities set by SOM on behalf of Ministers.

#### Public Affairs

The APEC Secretariat is responsible for media and public relations for APEC and provides assistance in disseminating information on APEC to targeted audiences and the public at large through a variety of means including an extensive publishing programme, websites and other electronic media, audio visual material, presentations, visitor briefings and outreach visits to APEC member economies.

The Secretariat also plays an important role in providing public affairs and media support to the host economy and APEC fora throughout the year.

##### Achievements

- Presentations delivered to a wide variety of business, government and student groups.
- Visits with an outreach focus made during 2000 to Chile; China; Hong Kong, China; Indonesia; Korea; Mexico; Peru; Russia; Chinese Taipei; USA; and Viet Nam. Successful outcomes were achieved in educating the public and related institutions on the mechanics of APEC and effective involvement in the APEC process.
- On-the-ground media liaison support provided to host economies of major APEC meetings and assistance provided in advance of and during key events to support coverage by international, regional and local media outlets.
- Media releases and advisories issued and disseminated regularly via email gateway and posted on the APEC website. Regular contact maintained with journalists to encourage media coverage of key APEC events and activities.
- A wide range of general information resources on APEC produced including scheduled publications for 2001 as part of the Secretariat's

publishing programme and production of publications on behalf of APEC fora. An updated APEC video/CD-ROM will also be produced as an outreach resource tool for use by the Secretariat, member economies and APEC fora and for use by media for broadcast purposes.

- total net revenue of approximately S\$11,000 was realised from the sale of APEC publications and CD ROMS for the year through sales/marketing agreements with book agents/distributors in Australia; Brunei Darussalam; Hong Kong, China; Malaysia; New Zealand; Singapore; USA and the United Kingdom. With increasing use of online and free downloadable versions of publications off the website, the Secretariat will continue to maintain a close watch on sales patterns and monitor print runs, sales figures and web statistics to ensure electronic/hard-copy publishing combinations support both information dissemination objectives and user needs.
- Maintenance of a cyber bookstore at <http://www.ecomz.com/apec>
- Redevelopment of the APEC website. Uploading and maintenance of new bizape.com site for business users. Support for promotion and marketing of the APEC ECOTECH Clearing House Site.
- Management and continuous improvement of APEC's document access policy to facilitate access to APEC records via electronic means.
- Assistance to China as APEC Chair for 2001 in implementing its domestic outreach programmes.

##### Next Steps

In 2001, the Secretariat will continue to develop its external communications and outreach programme to more effectively publicise APEC's role and

achievements and promote community input and engagement in APEC. The APEC Secretariat will also provide public affairs support to China as APEC Chair for 2001.

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#### Communications and Database System

One of the mandates given by the APEC Ministers to the Secretariat is to establish direct and regular communications between the APEC Secretariat and APEC members, Lead Shepherds of Working Groups, and Committees. There is also a need to create an information repository at the APEC Secretariat to facilitate the movement and storage of APEC-related information. This information needs to be accessible to users in each member economy either in hard copy form or in electronic format.

The APEC website is one of the key management vehicles to fulfil the Secretariat's mandate. Users can access a wide range of information including the APEC calendar of events and documents from meetings on the APEC website at <http://www.apecsec.org.sg>.

#### Business and Private Sector Participation

The business and private sector is not involved with the communications and database system. The system is now maintained by the APEC Secretariat.

##### Achievements

- All APEC member economies, working groups, committees and the private sector can easily communicate with the Secretariat by Email. Users can access selected APEC documents through the APEC Secretariat's homepage.
- To make the APEC Secretariat's homepage more user-friendly and easier to navigate, the APEC Secretariat officially launched a revamped portal page in November 2000.

##### Next Steps

The Secretariat will continue to maintain the communication system and to update the related databases to keep the data current. Further

improvements will be made to the website on an on-going basis.

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## 5 Abbreviations

ABAC	APEC Business Advisory Council	CPD	Competition Policy and Deregulation	ICAO	International Civil Maritime Organization	OECD	Organization for Economic Cooperation and Development	TDB	APEC Tariff Database
ABTC	APEC Business Travel Card	CTI	Committee on Trade and Investment	ICFA	International Coalition of Fisheries Association			TEL	Telecommunications Working Group
ACI	Airports Council International for Pacific Region	DMEG	Dispute Mediation Experts' Group	IEG	Investment Experts' Group	OICA	International Organization of Motor Vehicle Manufacturers	TILF	Trade and Investment Liberalization and Facilitation
ADR-EEP	Alternative Dispute Resolution - Executive Education Project	EBN	EWG Business Network	IEGBM	Informal Experts' Group on Business Mobility	OMISAR	Ocean Model and Information System	TPF	Trade Policy Forum
AFS	APEC Food System	EC	Economic Committee	IFAT	Implementation Facilitation Assistance Team	PATA	Pacific Asia Travel Association	TPM	Total Productive Maintenance
AGGI	Advisory Group on Gender Integration	ECE	Economic Commission for Europe	ILO	International Labour Organization			TPT-WG	Transportation Working Group
AIFN	APEC Infrastructure Facilitation Network	ECOTECH	Economic and Technical Cooperation	IMD	International Institute for Management Development	PECC	Pacific Economic Cooperation Council	TPWG	Trade Promotion Working Group
AIRC	APEC Infrastructure Resource Integration Centre	ECSG	Electronics Commerce Steering Group	IMMA	International Motorcycle Manufacturers Association	PLGSME	Policy Level Group on Small and Medium Enterprises	TRIPS	Agreement on Trade-related Aspects of Intellectual Property
AMETC	APEC Marine Environmental Training and Education Center	EDNET	Education Network	IMTA	International Transport Association	REDAP	Peruvian Network for Asia Pacific Studies	TWG	Tourism Working Group
AMETEC	APEC Marine Environment Training and Education Center	e-IAP	Electronic Individual Action Plan	INDECOPI	National Institute for the Defense of Competition and Protection of Intellectual Property	RFMO	Regional Fisheries Management Organization	UNEDIFACT	United Nations Rules for Electronic Data Interchange for Administration, Commerce and Transport
APCIC	Asia-Pacific Chemical Industry Coalition	ESC	ECOTECH Sub-Committee of the SOM			RGC	Regional Growth Center	UN-ECE	United Nations Economic Commission for Europe
APEC	Asia-Pacific Economic Cooperation	EVSL	Early Voluntary Sectoral Liberalization	IPEG	Intellectual Property Rights Experts' Group	RISE	Regional Integration for Sustainable Economies	UR	Uruguay Round
APIAN	Asia-Pacific International Assessment Network	EWG	Energy Working Group	IPP	Independent Power Producer	ROO	Rules of Origin	URI	Uruguay Round Implementation
APII	Asia Pacific Information Infrastructure	FAO	Food and Agriculture Organization	IPR	Intellectual Property Rights	RTAs	Regional Trade Agreements	VAP	Voluntary Action Plan
APIS	Asia Pacific Information Society	FDI	Foreign Direct Investment	IST	Industrial Science and Technology	RTHP	Road Transport Harmonization Project	WCO	World Customs Organization
ARIC	Asia Recovery Information Center	FEEEP	Impact of Expanding Population and Economic Growth on Food, Energy and the Environment	ISTWG	Industrial Science and Technology Working Group	SCCP	Sub-committee on Customs Procedures	WG	Working Group
ASC	APEC Study Centers	FWG	Fisheries Working Group	ITI	Information Technology Industry Council	SCSC	Sub-committee on Standards and Conformance	WGTP	Working Group on Trade Promotion
ASCC	APEC 2000 Study Center Consortium	GEI	Group on Economic Infrastructure	ITU	International Telecommunications Union	SIS	Seafood Information Systems	WIPO	World Intellectual Property Organization
AST	APEC Science and Technology	GIS	Gender Information Sessions	IUU	Illegal, Unregulated and Unreported	SMEs	Small and Medium Enterprises	WTO	World Trade Organization
ATCEG	Agricultural Technical Cooperation Experts' Group	GOS	Group on Services	IWS	Infrastructure Workshop	SMEWG	Small and Medium Enterprises Working Group	WTTTC	World Travel and Tourism Council
ATCWG	Agricultural Technical Cooperation Working Group	GP	Government Procurement	KBE	Knowledge-based Economy	SOM	Senior Officials' Meeting		
ATL	Accelerated Tariff Liberalization	GPA	Global Programme of Action	LSP	Labor and Social Protection Network	SPAN	Integrated Plan of Action for SME Development		
BAC	Budget and Administrative Committee	GPEG	Government Procurement Experts' Group	MAG	Market Access Group				
BMC	Budget and Management Committee	GPS	Global Positioning System	MNE	Multinational Enterprise				
BMN	Business Management Network	HACCP	Hazard Analysis and Critical Control Points	MRA	Mutual Recognition Arrangement				
CAP	Collective Action Plans	HRD	Human Resources Development	MRC	Marine Resource Conservation				
CBN	Capacity Building Network	HRDWG	Human Resources Development Working Group	MRT	Ministers Responsible for Trade				
		IAP	Individual Action Plan	NGO	Non-Governmental Organization				
		ICAIS	International Charging Arrangements for Internet Services	NTM	Non-tariff Measures				
				OAA	Osaka Action Agenda				

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## Foreword

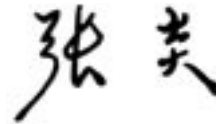
Welcome to this first edition for 2001 of the *Update of Activities* within APEC.

As we enter the new century, prevailing global and regional macroeconomic conditions offer us continuing confidence for better prospects and economic outlook for the APEC region. At their annual meeting held in Brunei Darussalam last November, APEC Leaders were much encouraged by the improvement of economic and social conditions in the economies affected by the crisis and by the signs of a return to strong economic growth in the region as a whole. At the same time they reaffirmed the importance of continuing APEC's work on reform and restructuring to enhance the sustainability of this growth.

APEC Leaders are mindful also of the wide range of social and economic challenges associated with the process of globalisation and have called for further strengthening of the APEC cooperation agenda to enable developing economies to participate more meaningfully in the new globalised economy. APEC's vision of shared economic prosperity and social improvement is reflected strongly in the theme set by China for their coming year of hosting APEC; *"Meeting New Challenges in the New Century: Achieving Common Prosperity through Participation and Cooperation"*.

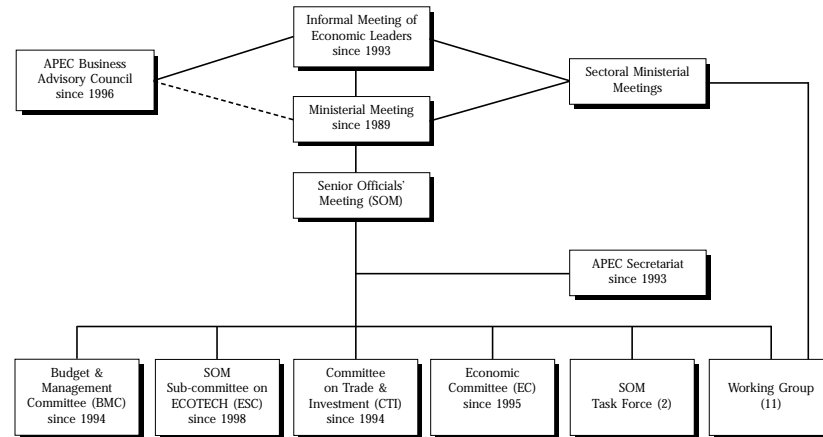
The Update provides a concise summary of the activities and work programs of APEC fora through which Ministers' and Leaders' directives are implemented. We remind readers that the main APEC website [www.apecsec.org.sg](http://www.apecsec.org.sg) offers a source of continuously updated information for those interested in tracking issues and developments more closely. Links to other APEC fora websites are also provided, to cater for sectoral and specialised interests.

Finally, I would also like to take this opportunity to invite you to visit the APEC China 2001 website [www.apec-china.org.cn](http://www.apec-china.org.cn) for more detailed information and background on meetings and events to be hosted in China this year.



Ambassador Zhang Yan  
Executive Director  
APEC Secretariat

# Asia-Pacific Economic Cooperation



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|---|--|--|--|--|---|
| <p><b>Sectoral Ministerial Meetings</b></p> <ul style="list-style-type: none"> <li>• Education 1992, 2000</li> <li>• Energy 1996, 1997, 1998, 2000</li> <li>• Environment Sustainable Development 1994, 1996, 1997</li> <li>• Finance 1994 and annually</li> <li>• Human Resources Development 1996, 1997, 1999</li> <li>• Science &amp; Technology Co-op 1995, 1996, 1998</li> <li>• Small &amp; Medium Enterprise 1994 and annually</li> <li>• Telecommunications &amp; Information Ind. 1995, 1996, 1998, 2000</li> <li>• Trade 1994, and annually from 1996</li> <li>• Transportation 1995, 1997</li> <li>• Women's Affairs 1998</li> <li>• Tourism 2000</li> </ul> | <p><b>Sub-group</b></p> <ul style="list-style-type: none"> <li>• Group on Economic Infrastructure</li> </ul> | <p><b>Sub-committees/ Experts Groups:</b></p> <ul style="list-style-type: none"> <li>• Sub-Committee on Standards &amp; Conformance</li> <li>• Sub-Committee on Customs Procedures</li> <li>• Market Access Group</li> <li>• Group on Services</li> <li>• Investment Experts Group</li> <li>• Intellectual Property Rights Experts Group</li> <li>• Government Procurement Experts Group</li> <li>• Informal Experts Group on the Mobility of Business People</li> <li>• Competition Policy/Deregulation Workshop</li> </ul> | <p><b>Sub-group</b></p> <ul style="list-style-type: none"> <li>• Economic Outlook Taskforce</li> </ul> | <p><b>SOM Ad Hoc Advisory</b></p> <ul style="list-style-type: none"> <li>• Group on Gender Integration (AGGI) (since 1999)</li> <li>• Steering Group on E-commerce (since 1999)</li> </ul> | <p><b>Agricultural Technical Cooperation Working Group</b> (since 1996)</p> <ul style="list-style-type: none"> <li>• Energy (since 1990)</li> <li>• Fisheries (since 1991)</li> <li>• Human Resources Development (since 1990)</li> <li>• Industrial Science and Technology (since 1990)</li> <li>• Marine Resources Conservation (since 1990)</li> <li>• SME Working Group (since 1995)</li> <li>• Telecommunications (since 1990)</li> <li>• Trade Promotion (since 1990)</li> <li>• Transportation (since 1991)</li> <li>• Tourism (since 1991)</li> </ul> <p><i>• Trade &amp; Investment Data (since 1990, and disbanded in Nov 1998)</i></p> |
|---|--|--|--|--|---|