



Asia-Pacific
Economic Cooperation

Advancing Free Trade
for Asia-Pacific **Prosperity**

Key APEC Documents 2013





**Asia-Pacific
Economic Cooperation**

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Introduction

Key APEC Documents 2013 is the 20th in a series produced by the APEC Secretariat. The Key Documents' publication provides a reference set of the key policy decisions and initiatives endorsed by APEC Leaders and Ministers each year. Collectively, these documents frame the policy directions for APEC's annual work programs.

This issue presents a compilation of the statements from each of the APEC Ministerial Meetings held during 2013 together with the APEC Economic Leaders' Declaration from their recent meeting in Bali, Indonesia.

The APEC website, www.apec.org, offers a further source of documentation of policy and reference papers; APEC committee reports; and information relating to APEC's wide-ranging activities.

APEC Secretariat
October 2013

21st APEC Economic Leaders' Declaration

Bali, Indonesia

8 October 2013

BALI DECLARATION

Resilient Asia-Pacific, Engine of Global Growth

1. We, the APEC Leaders, gathered in Bali, Indonesia to demonstrate resolute leadership in the Asia-Pacific region under the theme of “Resilient Asia-Pacific, Engine of Global Growth”.
2. The past 19 years of determination and persistent labor towards the attainment of free and open trade under the Bogor Goals have produced an extraordinary period of prosperity in the Asia-Pacific. The rules-based multilateral trading system and our shared belief in open regionalism have lifted hundreds of millions out of poverty across the entire region and fostered open, emerging and innovative economies that are now fueling our growth.
3. We have taken a number of important policy actions that have helped to contain key tail risks, improve financial market conditions and sustain recovery. Nevertheless, global growth is too weak, risks remain tilted to the downside, global trade is weakening and the economic outlook suggests growth is likely to be slower and less balanced than desired. We share the urgency for region-wide partnership to create better quality and more productive jobs, attract private investment, reduce poverty, and improve living standards. We recognize the need to strengthen macroeconomic policies and to work together to promote sustainable and inclusive growth in the Asia-Pacific region. We will implement prudent and responsible macroeconomic policies to ensure mutually reinforcing effect of growth and to maintain economic and financial stability in the region, and prevent negative spillover effect.
4. While trade growth and investment flows within the APEC region have outperformed the rest of the world, we should nevertheless guard against the pressure to raise new trade and investment barriers. To that end, we extended our standstill commitment until the end of 2016 and reaffirmed our pledge to roll back protectionist and trade-distorting measures. We committed to take decisive actions to reinforce confidence, foster financial stability, and strengthen our medium-term growth potential, while remaining vigilant in our joint effort to strengthen global recovery and to ensure a balanced, inclusive, sustainable, innovative, and secure growth, as espoused in the Yokohama vision.
5. As our region increasingly becomes the main engine of global growth, we are called by the duty to look ahead, to adapt to our changing needs, and to reinvigorate the path toward progress in the Asia-Pacific. We will continue our collective commitment to strengthening and deepening regional economic integration and to eliminate barriers to international trade and investment in the region. We will pursue greater connectivity to break new ground, help economies to create better quality and more productive jobs and marshal purposeful partnerships for the future.
6. We reaffirm our commitment to achieve a Free Trade Area of the Asia-Pacific (FTAAP), including by continuing APEC’s work to provide leadership and intellectual input into the process of regional economic integration. APEC has an important role to play in coordinating information sharing, transparency, and capacity building, and will hold a policy dialogue on regional RTAs/FTAs. We agreed to enhance communication among regional RTAs/FTAs, as well as increase the capacity of APEC economies to engage in substantive negotiations.
7. We will turn these commitments into prosperity and opportunity, and in doing so, we committed to take the following specific actions:

Supporting the Multilateral Trading System and Attaining the Bogor Goals

8. Realizing that the Doha Development Agenda negotiations are at a critical juncture, with significance for the broader multilateral system, we have issued a separate statement supporting the multilateral trading system and the 9th Ministerial Conference of the World Trade Organization.
9. Recognizing that trade and investment are critical to the creation of better quality jobs and increased prosperity of our people, we reiterated our commitment to uphold APEC's role towards achieving the Bogor Goals of free and open trade and investment by 2020.
10. In addition, in order to link our economies and markets ever closer together, we:
 - a. Will advance implementation of our commitment to reduce tariffs on the APEC List of Environmental Goods (EGs) to five percent or less by the end of 2015;
 - b. Established the APEC Public Private Partnership on Environmental Goods and Services (PPEGS) to enhance our work to address trade and investment issues relevant to this sector;
 - c. Will explore trade in products that contribute to sustainable and inclusive growth through rural development and poverty alleviation;
 - d. Acknowledged the work this year on local content requirements and welcomed the APEC Best Practices to Create Jobs and Increase Competitiveness;
 - e. Will continue to implement the APEC Investment Facilitation Action Plan, including by advancing Public Private Dialogue on Investment and encourage officials to work with the private sector to build and improve upon Corporate Social Responsibility practices and sustainable investment;
 - f. Will advance actions to address the next generation trade and investment issues as agreed in 2011 and 2012, including by finalizing the APEC Innovation and Trade Implementation Practices, as soon as possible; and
 - g. Will foster broader participation of the private sector in advancing trade in services to create better quality and more productive jobs, and increase the productivity of our industries.

Promoting Connectivity

11. Recognizing the increasing need for more efficient flow of goods, services, capital and people, we will shape the strategic landscape of our region through a long-term commitment that will accelerate our physical, institutional, and people-to-people connectivity.
12. As part of our work to achieve the Bogor Goals by 2020 and the Yokohama Vision of "Bogor and Beyond", we aspire to achieve a seamlessly and comprehensively connected and integrated Asia Pacific. We envision a blueprint that will accelerate and encourage balanced, secure and inclusive growth, as well as connect growth poles in the region, through means such as strengthening regional quality transportation networks, reducing transaction costs, and making our region more competitive and cohesive. As a way forward, we will carry on specific measures as contained in Annex A.
13. Under Physical Connectivity, we commit to cooperate in developing, maintaining and renewing our physical infrastructure through a Multi-year Plan on Infrastructure Development and Investment. The Plan will assist APEC Economies to improve the investment climate, promote public-private partnerships, and enhance government capacity and coordination in preparing, planning, prioritizing, structuring and executing infrastructure projects. As a first step under this Plan, we agreed to establish an APEC Experts Advisory Panel and a pilot Public Private Partnership (PPP) Centre in Indonesia. We encourage efforts to promote efficient allocation of global capital and to explore and improve infrastructure financing, involving government, private

sector and international institutions. Specific actions to promote infrastructure development and investment are laid out in Annex B. We will also:

- a. accelerate our work to achieve a 10 percent improvement in supply-chain performance by 2015 in terms of time, cost, and uncertainty, while taking into consideration individual economy's circumstances, including by advancing the systematic approach to improving supply chain performance;
- b. instruct officials to develop a capacity-building plan to assist economies, particularly developing economies, in overcoming specific obstacles they face in enhancing supply chain performance; and
- c. establish the APEC Trade and Investment Liberalization Sub-Fund on Supply Chain Connectivity and encourage contributions of necessary resources to execute this capacity-building plan.

14. Under Institutional Connectivity, we will:

- a. advance our 2010 APEC New Strategy for Structural Reform (ANSSR), including by promoting fiscal transparency and public accountability which will strengthen our ultimate aim of fostering transparency and competition, and creating better functioning markets;
- b. take specific actions to develop, use or strengthen the implementation of the three Good Regulatory Practices we identified in 2011, and note three optional tools used by some economies to help achieve this goal including 1) single online locations for regulatory information; 2) prospective regulatory planning; 3) periodic reviews of existing regulation;
- c. progress our 2012 commitment to promote cross-border education that creates opportunities for our people, on a voluntary basis consistent with individual economies' circumstances, to access education and training services, strengthen regional ties, contribute to the creation of better quality jobs, bolster productivity growth and further promote economic growth through actionable cooperation; and
- d. promote global value chain development and cooperation in APEC region on the basis of previous work on connectivity.

15. Under People-to-people Connectivity, we will:

- a. endorse the target of 1 million intra-APEC university-level students per year by 2020, as well as support further work that will enhance the mobility of students, researchers, and education providers, and the network of existing bilateral agreements;
- b. progress work on the Travel Facilitation Initiative as a way to promote tourism and facilitate business, by making travel more accessible, convenient and more efficient while also safe and secure; and
- c. develop programs that will encourage greater and regular involvement of youth in APEC, so as to foster a sense of community and shared responsibility to contribute to the growth of Asia-Pacific region.

Sustainable Growth with Equity

16. Taking into account the current condition of the global economy, we focused on an agenda that is geared to bridge the development gap and maintain our path of sustainable growth with equity. We commit to implement workable solutions that will increase resilience, sustain growth and decrease disparity, while improving the welfare of the people in the Asia-Pacific region.

17. We agreed to take further steps toward empowering, engaging and opening opportunities for our stakeholders to fully participate in our economic growth, by considering the following concrete actions:
 - a. expand women's participation in the economy by creating an enabling environment such as through the development of gender related structural reform measures, improved ICT training support, as well as the development of entrepreneurial culture, equal access to quality education and employment opportunities and greater access to market and financial services including capital, particularly for women-owned SMEs;
 - b. enhance our SMEs global competitiveness by improving access to finance and markets, supporting entrepreneurship, accelerating the growth of start-ups, strengthening capacities for business continuity and empowering our SMEs to expand to international markets and to participate in global supply chains;
 - c. encourage regional collaboration to facilitate trade finance for SMEs, recognizing that trade finance instruments can help facilitate trade and can support SMEs that trade internationally;
 - d. promote responsible innovative approaches to increase financial eligibility of the poor and SMEs and improve delivery channels to extend the benefit of financial services to those who still do not have access to the financial system, thereby enhancing financial inclusion in the region;
 - e. promote the crucial role of farmers and fishers, particularly small holders and women, in the achievement of food security, by strengthening their capacities, to take an important role in the supply chain, and creating a solid partnership between government and private sector;
 - f. advance greater collaboration among law enforcement authorities, in combating corruption, bribery, money laundering, and illicit trade, through the establishment of an APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies (ACT-NET) that will strengthen informal and formal regional and cross-border cooperation; and
 - g. strengthen cooperation among government, scientists, and business sector to promote science, technology and innovation (STI) in the region, and value policy discussions among the Asia-Pacific's Chief Science Advisor (CSA) and their equivalents in addressing common STI challenges.

18. We recognized that resource scarcity presents an immense challenge that limits our ability to pursue economic growth and we were mindful of the grave economic consequences of natural and human-caused disaster, particularly to the most vulnerable members of society. In response to these challenges, we will take the following steps:
 - a. address the nexus of water, energy and food security through the promotion of integrated policies and collaborative approaches;
 - b. implement the APEC Food Security Road Map Towards 2020 to enhance supply chain connectivity, achieve efficiencies, reduce post-harvest losses and waste, and improve the food system structure by 2020, to provide lasting food security to APEC economies;
 - c. recognize that bans and other restrictions on the export of food may cause price volatility, especially for economies that rely on imports of staple products, and we reiterate our pledge against protectionism.
 - d. pursue cross-sectoral work under the APEC Initiative on Mainstreaming Ocean-related Issues, including those in line with priorities outlined by our ocean-related Ministers, that will maintain the health and sustainability of our oceans and coastal resources for the benefit of food security, poverty eradication, preservation of traditional culture and knowledge, conservation of biodiversity and facilitation of trade and investment;

- e. continue to build regional capacity to assist APEC economies to rationalize and phase out inefficient fossil-fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services;
- f. welcome the development of a methodology for a voluntary peer review mechanism of inefficient fossil-fuel subsidies that encourage wasteful consumption, and welcome the initiation of economy-owned peer reviews by some economies;
- g. invigorate work to develop clean and renewable energy through public-private partnership, as a promising approach to ensure sustainable investment and development of new technology, and to promote energy security and efficiency and lowering of greenhouse gas emissions, with the Joint Crediting Mechanism (JCM) as a notable example of cross-border mechanisms used by several economies;
- h. combat wildlife trafficking by enhancing international cooperation through Wildlife Enforcement Networks (WENs) and other existing mechanisms, reducing the supply of and demand for illegally traded wildlife, increasing public awareness and education related to wildlife trafficking and its impacts, and treating wildlife trafficking crimes seriously;
- i. promote sustainable healthcare systems that deliver universal health coverage and emphasize promotive and preventive measures to ensure healthy and productive societies, while bearing in mind the opportunities implied in the different pace of aging among member economies;
- j. engage in capacity building efforts and effective regional and global partnerships across the public and private sectors with the aim of addressing emerging infectious diseases and strengthening public health systems;
- k. promote understanding on safe and effective use of traditional medicine, according to individual economies' needs and circumstances, as it is increasingly used as a complementary and alternative medicine in certain economies, due among others to its affordability, availability, and acceptability as a part of health beliefs of our local cultures;
- l. work on combating infectious diseases, including through efforts to meet the goals articulated in UNAIDS Getting to Zero 2011-2015 strategy, notably zero new HIV Infections, zero discrimination and zero HIV related deaths through targeted prevention and treatment measures, by scaling up investment and strengthening Public-Private Partnership, health care systems and community involvement; and
- m. progress work to ensure ease of mobility of emergency responders and their equipment to save lives in the early aftermath of disasters, while improving cooperation in disaster risk reduction, including through the involvement of the private sector in business continuity planning.

Looking Forward

- 19. Recognizing the range of development levels, experiences, and systems across our economies, we reaffirm the importance of supporting our ambitious vision for a seamless and connected regional economy through our abiding commitment to delivering effective economic and technical cooperation.
- 20. We recognized that the economic inclusion of women is critical for business performance and economic prosperity, and in acknowledging the cross-cutting nature of women's participation in the economy, we committed to promoting efforts to integrate gender considerations across APEC activities as a priority, including with greater private sector engagement.
- 21. We commend the APEC Business Advisory Council (ABAC) for enriching APEC's work by means of partnership. We recognize the importance of private sector involvement in our work and we welcome further ABAC engagement.

22. We call for continued cooperation and synergy with other multilateral fora, and important regional and global institutional architecture. We encourage work that will foster complementarities and better understanding between APEC and other groups that will ensure a credible approach in solving complex challenges of our times.
23. We recognized that fostering and deepening economic integration, and creating seamless economy will make our region more resilient against the effects of internal and economic shocks. So as to move our economies up the value chain and to deliver sustainable growth and equitable economic development as envisioned in the 1994 Bogor Declaration, we instructed officials to continue to ensure that our regional economy is resilient, that our growth is inclusive, that our economies become ever more connected and that our people share equitable benefit from our secure and sustainable growth (RICES).
24. We have full confidence in the prospect of Asia-Pacific's economic development and we are committed to playing a leading role in the global economic recovery. With the objective of achieving robust, sustainable, balanced and inclusive growth in the Asia-Pacific region, we look forward to working together to build an open economy that is based on innovation, interconnected growth and shared interests. We underlined the importance of future work to promote action to change the region's growth model and to advance economic restructuring, including but not limited to, structural reform, APEC growth strategy, urbanization, innovation, and food security.
25. We appreciated the offers of Viet Nam, Papua New Guinea, Chile, Malaysia, New Zealand and Thailand to host APEC in the year 2017, 2018, 2019, 2020, 2021 and 2022 respectively.
26. Our enduring commitment will underwrite the peace, stability, and prosperity of the Asia Pacific. We therefore instruct our ministers and officials to pursue the work and to strengthen the economic foundation of our shared Asia-Pacific community and we look forward to reviewing further progress when we convene again during China's hosting of APEC in 2014.

Annex A. Promoting Connectivity

Annex B. Multi-Year Plan on Infrastructure Development and Investment

ANNEX A

APEC FRAMEWORK ON CONNECTIVITY

1. Since its inception APEC has worked to promote connectivity in the Asia Pacific. In Seattle in 1993, we agreed to ensure that the people of the region share the benefits of economic growth through higher incomes, high skilled and high paying jobs, and increased mobility. We recognized that advances in telecommunications and transportation would shrink time and distance barriers in our region and link our economies so that goods and people move quickly and efficiently. We reiterated this commitment of achieving a community of Asia-Pacific economies in 1994 in Bogor, set out pathways to achieving an economically-integrated, robust, and secure APEC community in 2010 in Yokohama, and committed to taking concrete steps towards a seamless regional economy in 2011 in Honolulu.
2. Although more work needs to be done, we have made notable progress on trade, investment and travel facilitation, and structural reform in APEC.
3. Since 2009, we have advanced our agenda to improve supply-chain connectivity, and are working to achieve an APEC-wide target of a 10 percent improvement in supply-chain performance by 2015, in terms of reduction of time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, taking into consideration individual economies' circumstances. This is part of our comprehensive approach to working "at the border", "behind the border" and "across the border".
4. Today, we reviewed and resolved to strengthen our efforts to attain the Bogor Goals, achieve sustainable growth with equity, as well as reinforce and expand the channels that connect our economies, including by addressing the region's underdeveloped infrastructures and their networks, inefficient procedures, and hindrances to the mobility of our people and their institutional networks.
5. We share the view that seamless physical, institutional, and people-to-people connectivity are critical prerequisites in attaining our APEC community vision. By connecting the region's developed and emerging growth centers around and across the Pacific Ocean and within APEC's archipelagic and continental regions, APEC will strengthen and deepen its regional economic integration, improve the region's quality of growth, and contribute to the Asia Pacific's economic resilience.
6. As part of our work to achieve the Bogor Goals by 2020 and to achieve the 2010 Yokohama Vision of "Bogor and Beyond", we aspire to reach a seamlessly and comprehensively connected and integrated Asia Pacific by realizing:
 - Physical connectivity that improves supply chain performance, connects and integrates logistics, transport, energy, and telecommunication infrastructure in the APEC region.
 - Institutional connectivity that advances regulatory and procedural cooperation and coherence among our economies.
 - People-to-people connectivity that enhances interaction, mobility and joint endeavors.
7. To achieve these goals, we agree to undertake the following actions in 2014:
 - a. To develop a blueprint based on agreed benchmarks or target, detailing areas for multi-year cooperation and activities towards a seamlessly and comprehensively connected and integrated Asia Pacific, and to establish a timeframe for regular reviews of our achievements. The blueprint will include, among others:

- On physical connectivity, to eliminate trade barriers impeding supply chain performance; help economies implement their trade facilitation and supply chain commitments through targeted, focused capacity-building; expand our trade routes and corridors, and strengthen regional quality transportation networks, including roads, railroads, ports and airports; taking into account the efforts to synergize APEC works with the existing sub-regional frameworks and plans; advance our cross border energy networks and interconnections; achieve universal and high-speed broadband access; and to develop and improve well-designed, sustainable and resilient infrastructure by implementing, at the outset, the multi-year plan on infrastructure development and investment in APEC and subsequently of broader infrastructure development.
 - On institutional connectivity, to advance our logistics and transport facilitation; enhance our regulatory coherence and cooperation and strengthen the implementation of good regulatory practices; advance APEC's agenda on structural reforms; modernize our trade-related as well as customs and border agencies, including by progressing the development of single windows in APEC economies; promote cross border financial cooperation; and expand the application of safe and trusted ICT and e-commerce environment.
 - On people-to-people connectivity, to advance our work on cross-border education, science, technology and innovation, services, as well as to expand the facilitation of movement of our people, which may include tourists, business people, professionals and workers, women and youth.
- b. To identify economies' individual or joint projects to implement the blueprint, which enhances connectivity in the region and may benefit from economic and technical cooperation.
- c. To mainstream this Framework into the strategic and long term planning of APEC fora.
8. We recognize the critical importance of improving synergy with other international fora, such as ASEAN, Pacific Alliance, East Asia Summit and the G20, and regional and multilateral development banks, as well as with ABAC and the private sector. We instruct our Ministers and officials to engage and cooperate with these stakeholders, taking into account mutually acceptable international standards, before submitting the blueprint in the 22nd APEC Economic Leaders' Meeting in China.

ANNEX B

APEC MULTI YEAR PLAN ON INFRASTRUCTURE DEVELOPMENT AND INVESTMENT

1. We are committed to supporting growth in our region through infrastructure development and investment. Well-designed, sustainable, and resilient infrastructure enhances economic growth, boosts productivity, and provides significant positive flow-on effects including improved access to markets, job creation and economic growth across sectors.
2. In the APEC Growth Strategy launched in Yokohama in 2010 we stated that APEC can use its convening power to help create a platform to develop innovative solutions, and provide technical assistance and advisory services to help member economies to raise private and public financing for infrastructure-related projects. APEC can also provide an exchange of views on best practices in public-private partnerships in infrastructure development.
3. In 2012 in Vladivostok we acknowledged the critical importance of private sector investment in regional infrastructure development, and encouraged broader work in the format of public-private partnerships. We also recognized the importance of adopting and maintaining laws, regulations and practices that facilitate investment, as well as efforts to improve the investment climate in the APEC region.
4. Delivering concrete outcomes in infrastructure development requires a multi-year commitment by APEC economies. This year we have developed the APEC Multi-Year Plan on Infrastructure Development and Investment that will be implemented through the year 2013-2016.
5. The Multi-Year Plan provides a menu of actions and reforms that economies can decide to adopt according to their own circumstances. Collectively, economies will deliver the supportive institutional environment that is needed to maximize private sector involvement in infrastructure. Areas of cooperation will include:
 - Work to foster a business friendly environment for infrastructure investment and development, through a solid regulatory framework that minimizes uncertainty and maximizes transparency and predictability.
 - Work to develop or to refine existing integrated planning mechanisms.
 - Work to develop government capacity to identify and generate a pipeline of bankable infrastructure projects.
 - Work to develop or further improve financing and funding environment to encourage long term investors.
6. As a first step under the Multi-Year Plan, we welcome to establishment of a pilot Public Private Partnership (PPP) Centre in Indonesia with the capability to assess infrastructure projects to receive private finance and guide the successful execution of PPP projects.
7. We have also agreed to establish an APEC PPP Experts Advisory Panel. The Panel will assist with the establishment of the Indonesian PPP centre. By building up local institutions then joining them together into regional networks, APEC can help create a regional infrastructure market.
8. We also recognized the importance of planning with comprehensive and holistic considerations, such as taking into account long-lasting asset value, stability of long term cash flow and lifecycle cost.
9. We welcome the continued efforts of the ABAC's Asia Pacific Infrastructure Partnership (APIP) and the development of the ABAC's Enablers of Infrastructure Investment Checklist.

10. Under this Multi-Year Plan, we instruct Ministers and Officials to develop additional capacity building activities that will assist economies to promote sustainable and resilient infrastructure development and investment, and look forward to monitoring its implementation.

APEC MULTI-YEAR PLAN ON INFRASTRUCTURE DEVELOPMENT AND INVESTMENT (MYPIDI)

1. APEC's work on connectivity and infrastructure development is long standing. Increased work in the area is important to ensure that the Asia-Pacific remains resilient and fulfills its role as the engine of the world's economic growth. The work will also complement APEC's core mandate to attaining the Bogor Goals of free and open trade and investment in the Asia-Pacific by 2020.
2. Well-designed, sustainable and resilient infrastructure development and investment can enhance economic growth and increase productivity, and provide significant positive flow-on effects including improved access to markets, job creation and manufacturing growth. Infrastructure investment is likely to have a significant impact on gross domestic product (GDP). The World Bank estimates that a 10 percent increase in infrastructure provision raises growth by 1 percent in the long-term.
3. The APEC 2010 Leaders Growth Strategy acknowledged APEC's role in facilitating growth through infrastructure development. It stated that APEC can use its convening power to help create a platform to develop innovative solutions, and provide technical assistance and advisory services to help member economies in need that have different abilities in raising private and public financing for infrastructure-related projects. APEC can also provide an exchange of views on best practices in public-private partnerships in infrastructure development.
4. In 2011 Finance Ministers also underlined that accelerating infrastructure investment and improving service delivery would contribute to boosting the recovery and is critical for sustaining economic growth in the Asia-Pacific region. Finance Ministers acknowledged the efforts underway in some economies to improve the environment for investment through public-private partnerships (PPP) and minimizing regulatory risk. They recognized that dialogue with market participants on infrastructure financing is critical to achieving the full benefit of private sector resources.
5. In Vladivostok in 2012 Leaders acknowledged the critical importance of private sector investment in regional infrastructure development and encouraged broader work in the format of public-private partnerships. Related to this, Leaders also recognized the importance of adopting and maintaining laws, regulations and practices that facilitate investment, as well as efforts to improve the investment climate in the APEC region.
6. The APEC 2013 Ministers Responsible for Trade instructed Senior Officials to develop a unifying, forward-looking, and ambitious APEC Framework on Connectivity in 2013 to deepen and broaden the region's connectivity around and across the Pacific Ocean and within APEC's archipelagic and continental regions. The development of physical infrastructure is recognized as a key pillar of the connectivity framework. Addressing impediments to cross-border transport infrastructure development is also a key element of APEC's work on Supply Chain Connectivity.
7. In February 2013 SOM and Officials of the Finance Minister's Process agreed to develop a multi-year plan that aims to assist economies to execute infrastructure projects, by identifying (i) impediments faced by economies in the region, and (ii) ways to address the impediments including by adding value to ongoing work.
8. The Multi-Year Plan identifies four workstreams that will help guide future APEC work in infrastructure development and investment. In the process, the Multi-Year Plan would create common regional understanding and in turn help stakeholders in making decisions when carrying forward infrastructure projects. The workstreams, defined in Annex 1 of the Multi-Year Plan are as follows:

- Workstream 1: *Fostering a business friendly environment for infrastructure development and investment, through a solid regulatory framework, that minimizes uncertainty and maximizes transparency and predictability.*
 - Workstream 2: *Development and Refinement of an Integrated planning system mechanisms*
 - Workstream 3: *Development of government capacity to identify and generate a pipeline of bankable infrastructure projects*
 - Workstream 4: *Development or further improvement of financing and funding environment to encourage long term investors*
9. This joint SOM-FMP initiative reflects the importance of a coordinated APEC approach which will harness expertise across APEC fora. Further development of work to take place under the Multi-Year Plan will be discussed in relevant sub-fora and finalised by SOM1 and FCBD 2014.
 10. Given the long-term nature of the work involved, the multi-year plan will span an initial period of 2013-2016.
 11. The Multi-Year Plan is informed by the work undertaken by APEC in 2013, including a Dialogue on Infrastructure Development and Investment, a Symposium on Connectivity, an FMP Workshop on Project Readiness to Increase Infrastructure Investment, and an FMP Workshop on Infrastructure Financing, as well as work undertaken by regional and global fora such as the ASEAN and the G-20. The APEC Secretariat conducted a mapping exercise to identify current and previous APEC work in this area. Input was also received from relevant APEC fora, APEC member economies, the private sector and development banks.
 12. The Multi-Year Plan builds on work already undertaken to improve the investment climate in APEC economies, enhance regulatory frameworks and support economies as they design, prioritize and implement infrastructure projects.
 13. In addition, the Multi-Year Plan will support efforts underway through the APEC Supply Chain Connectivity Initiative endorsed by Leaders in 2009. Of the eight identified chokepoints in regional supply chains, Chokepoint no. 2 outlines that “inefficient or inadequate transport infrastructure and a lack of cross border physical linkages e.g. roads, bridges” act as impediments to a seamless supply chain in the Asia-Pacific region. Addressing the other Chokepoints under APEC’s Supply Chain Connectivity Initiative through targeted and focused capacity building will also facilitate the development of transport infrastructure.
 14. APEC cooperation on infrastructure development and investment will take advantage of regional expertise, experience and funding sources, including from multilateral and regional development banks, and the private sector. The Asia-Pacific Infrastructure Partnership (APIP) and ABAC’s PPP checklist are particularly relevant.
 15. Under the SOM process, the SCE will coordinate the work under the multi-year plan by engaging relevant APEC channels, namely EC, IEG, SFOM, and related Working Groups.
 16. Significant APEC past work relevant to the 4 workstreams, including ongoing work identified in the mapping exercise is set out in Annex 2.
 17. Suggestions for possible new APEC initiatives to take forward this work are contained in Annex 3.

Annex 1

**APEC MULTI-YEAR PLAN ON INFRASTRUCTURE INVESTMENT AND DEVELOPMENT
WORKSTREAMS**

Workstream 1: *Fostering a business friendly environment for infrastructure development and investment, through a solid regulatory framework, that minimizes uncertainty and maximizes transparency and predictability.*

Workstream 2: *Development and Refinement of an Integrated planning system mechanisms*

Workstream 3: *Development of government capacity to identify and generate a pipeline of bankable infrastructure projects*

Workstream 4: *Development or further improvement of financing and funding environment to encourage long term investors*

Annex 2

APEC MULTI-YEAR PLAN ON INFRASTRUCTURE INVESTMENT AND DEVELOPMENT RELEVANT PAST APEC WORK

Workstream 1: *Fostering a business friendly environment for infrastructure development and investment, through a solid regulatory framework, that minimizes uncertainty and maximizes transparency and predictability.*

Investment Policy

- Investment Facilitation Action Plan
- APEC Non-Binding Investment Principles
- APEC Strategy on Investment of 2010

Government Procurement Policy

- Non-Binding Principles on Government Procurement

Structural Reform:

- APEC Ease of Doing Business (EoDB) Action Plan
- Good Regulatory Practice Guide
- Good Practice Guide on Public Sector Governance
- APEC-OECD Integrated Checklist on Regulatory Reform
- Handbook for the APEC Voluntary Review of Institutional Frameworks and Processes for Structural Reform
- The Impacts and Benefits of Structural Reforms in the Transport, Energy and Telecommunications Sectors

Workstream 2: *Development and Refinement of an Integrated planning system*

Workstream 3: *Development of government capacity to identify and generate a pipeline of bankable infrastructure projects*

Workstream 4: *Development of a financing and funding environment to encourage long-term investors*

APEC Publication:

1. Meeting APEC's post crisis infrastructure challenge: Towards commonality in PPP infrastructure markets (2009)
2. Breaking the PPP Logjam (2010)
3. Filling the Infrastructure Gaps in the APEC's Developing Economies (2011)

Annex 3

**APEC MULTI-YEAR PLAN ON INFRASTRUCTURE INVESTMENT AND DEVELOPMENT
POSSIBLE WORK STREAMS**

Workstream 1: *Fostering a business friendly environment for infrastructure development and investment, through a solid regulatory framework, that minimizes uncertainty and maximizes transparency and predictability.*

Businesses will increase their participation in infrastructure projects if they feel confident that solid regulatory frameworks are in place to support their investment decisions. Governments can foster a business friendly environment by taking actions to ensure that their regulatory systems deliver transparency and certainty to business, and are responsive to their needs. While integration of gender considerations in infrastructure projects can also contribute to empower women to participate actively in the economy.

Areas in which APEC could engage in targeted and meaningful work:

- Good Regulatory Practices
 - Meeting Leaders' and Ministers' 2011 [and 2013] instructions on strengthening the implementation of Good Regulatory Practices, including:
 - Ensuring internal coordination of regulatory work;
 - Assessing the impact of regulations; and
 - Conducting public consultations.
 - Strengthening the implementation of Good Regulatory Practices described in the APEC-OECD Checklist on Regulatory Reform.
 - Structural Reform
 - Continuing efforts to improve the ease of doing business, particularly by reducing administrative burdens and simplifying regulation
 - Development and implementation of policies that enforce predictability and equal treatment of private sector in the market (including in relation to state owned enterprises)
 - PPP regulatory coherence and cooperation for more conducive/business friendly investment climate
 - Legal and regulatory framework that fosters an appropriate risk allocation between the public and private sector
- Contract Issues: Enforcement , Dispute Settlement and Legal Certainty
 - Sharing good practices on enforcement of contracts – strengthening of contract enforcement regimes
 - Assisting economies to establish clear and effective mechanisms for solving disputes
 - Importance of contractual guarantees regarding changes of law.
- Property rights frameworks/Land acquisition,
 - Assist economies to develop and implement good practices regarding land acquisition and environment impact assessment, including community consultation.
- Government Procurement Process
 - Adopting a predictable and transparent tendering process that promotes the best procurement for value
 - Encouraging to maintain a one-stop website for access to information on government procurement
- Business and Investment Climate
 - Encouraging transparency in tax regimes, preferential loans, and construction permits
 - Encouraging transparency in construction services

- Developing a network of regional investment protection agreement
 - Supporting anti-corruption measures
- Ensuring Institutional Readiness for APEC economies through Surveys

Workstream 2: *Development and Refinement of an Integrated planning system*

Businesses will feel more confident making long term infrastructure investment decisions if they are convinced that government decisions are being guided by a well coordinated and integrated planning mechanism. Governments can develop (or refine existing) integrated planning mechanisms in a way that demonstrates serious commitment to the longer term infrastructure needs of their economies, and giving priority to projects that contributes the most to economic growth and productivity.

Also, well-designed, sustainable and resilient infrastructure development and investment can enhance economic growth and increase productivity, and provide significant positive flow-on effects including improved access to markets, job creation and manufacturing growth.

Areas in which APEC could engage in targeted and meaningful work:

- Strengthening infrastructure planning capacity, by assisting economies:
 - To develop or refine forward-looking domestic infrastructure plans.
 - To identify well-designed, sustainable, and resilient projects that generate greatest net public benefits that also fit into broader infrastructure plans and are coherent with medium-term expenditure frameworks.

Workstream 3: *Development of government capacity to identify and generate a pipeline of bankable infrastructure projects*

There is an emerging international consensus that coordination and clear allocation of responsibility at a domestic level, and project preparation and selection are the keys to successful infrastructure development. Also, well-designed, sustainable and resilient infrastructure projects can attract private investment by securing long-lasting asset value and stability of long-term revenue stream.

Governments can leverage increased private sector involvement in infrastructure by developing domestic capacity to generate a pipeline of bankable infrastructure projects that can accommodate private sector investors.

Areas in which APEC could engage in targeted and meaningful work:

- Strengthening PPP project preparation through the creation of a dedicated PPP Center in interested economies:
 - To help turn projects into bankable projects
 - To develop strategies to communicate the public infrastructure projects available for investment to the private sector.
- Convene APEC PPP Experts Panel to guide a Pilot PPP Centre
- Discuss mechanisms and share good practices on directing appropriate government support to high net public benefit projects,
 - Including through "dedicated domestic-level funds" to support strongly economic and sound infrastructure projects with private sector investment that can also help to build up a credible pipeline of bankable projects.
- Develop a mechanism and capacity to prioritize infrastructure projects to help government to prioritize between competing projects on a consistent cost-benefit basis.

- Increasing sectoral expertise to ensure the right pricing of projects
- Improving governments' expertise in planning infrastructure projects with comprehensive and holistic consideration
 - To secure long-lasting asset value and stability of long-term cash flow of infrastructure projects.
 - To improve bidding process of infrastructure projects that incorporate not only a purchase price but also key elements such as lifecycle cost including performance and durability, environmental impacts, safety and maintainability.
 - To reduce risk to infrastructure investments by incorporating disaster risk reduction, including structural and non-structural measures, into infrastructure planning and development.

Workstream 4: *Development or further improvement of financing and funding environment to encourage long term investors.*

Well functioning financial markets can facilitate the participation of long term investors in infrastructure through provision of appropriate financial products. To achieve this, governments should put in place clear and consistent financial regulatory frameworks and maintain strong financial supervision – while reducing unnecessary legal and regulatory impediments to the smooth functioning of these markets.

Areas in which APEC could engage in targeted and meaningful capacity building are:

- Strengthening of financial regulatory, monitoring and supervision capacity
- Ensuring that financing mechanism and instruments (such as local currency financial markets, including bond markets, for infrastructure projects) are in place to direct to bankable PPP project proposals.
- Providing support for long-term local currency-denominated financing
- Create capacity to develop a wide range of financial vehicles and infrastructure investment models that can efficiently promote capital markets development for infrastructure financing and foster the participation of institutional investors, such as pension funds, insurers and sovereign wealth funds, to take a longer term view on investment opportunities.

The 21st APEC Economic Leaders' Declaration

Bali, Indonesia

8 October 2013

“SUPPORTING THE MULTILATERAL TRADING SYSTEM AND THE 9TH MINISTERIAL CONFERENCE OF THE WORLD TRADE ORGANIZATION”

1. We, the Leaders of the Asia-Pacific Economic Cooperation (APEC), gathered in Bali, Indonesia, on 7-8 October 2013 for the 21st APEC Economic Leaders' Meeting under the APEC 2013 theme “Resilient Asia-Pacific, Engine of Global Growth”, reaffirm our commitment to the strengthening of the multilateral trading system and to the successful outcomes of the 9th Ministerial Conference (MC9) of the WTO in Bali.
2. We recognize the importance of a strong multilateral trading system in safeguarding trade expansion that serves as a source of economic growth, job creation, and sustainable development. We remain committed in this regard to continue to strengthen the rules-based, transparent, non-discriminatory, open, and inclusive multilateral trading system as enshrined in the principles and values of the WTO.
3. We are committed to fight against protectionist measures for their impact on weakening trade and slowing down the global economic recovery. We extend our standstill commitment until the end of 2016 and reaffirm our commitment to roll back protectionist and trade-distorting measures. We are also determined to resist inward looking policies and continue to exercise maximum restraint in implementing measures that may further hinder world economic recovery and expansion of international trade. With these commitments we stress the importance of further curbing protectionism through the WTO and other international organizations.
4. We recognize that Doha is at an impasse. We are now at the eleventh hour to put the negotiating function of the WTO back on track. Thus, the next step we take will be critical to the multilateral trading system and the role of the WTO.
5. We acknowledge the urgency to achieve successful outcomes at MC9 which would be a stepping stone to future progress in the DDA negotiations post-Bali and further multilateral trade liberalization. We reaffirm our commitment to build on the Bali package to achieve the full conclusion of the DDA and to continue the negotiations to address the remaining DDA issues post-Bali. In doing so, we will continue to respect the Doha mandate and its development dimension.
6. We envision that the Bali outcomes will encompass an agreement on trade facilitation, some elements of agriculture, and development, including issues of interest to LDCs. Progress in the negotiations of these issues are of utmost importance and we instruct negotiators to re-double their efforts to complete negotiations on this package before the commencement of MC9.
7. We strongly encourage all WTO Members, particularly major players, to show their political will and necessary flexibilities in order to bridge existing gaps and deliver positive and balanced results at MC9. With the APEC economies representing more than half of world's GDP and 44 percent of world trade, we accept our responsibility and stand ready to make significant contribution in ensuring tangible outcomes by delivering an early harvest at MC9.
8. We encourage the swift conclusion of negotiations to expand product coverage of the WTO Information Technology Agreement (ITA) before MC9, and also seek expanded membership of the ITA. A final ITA expansion outcome should be commercially significant, credible, pragmatic, balanced, and reflective of the dynamic technological developments in the information technology sector over the last 16 years. Such an outcome would strengthen the

multilateral trading system, promote connectivity, support regional economic integration, and drive economic development throughout APEC economies and beyond.

9. We reassert our commitment to promote green growth and to seek practical, development-supportive, and trade-enhancing solutions to address global environmental challenges. Accordingly, we commit to explore opportunities in the WTO to build on the ground-breaking APEC commitment to reduce tariffs on the APEC List of Environmental Goods by the end of 2015.
10. We reaffirm the importance of the effective integration of developing economies into the multilateral trading system and to equally benefit from global trade. In this regard, we welcome the output of the 4th Aid for Trade Global Review Meeting held in July 2013 and we will continue to seek means of ensuring the effectiveness of this initiative.

25th APEC Ministers Meeting

Bali, Indonesia
5 October 2013

JOINT MINISTERIAL STATEMENT

1. We, the Asia-Pacific Economic Cooperation (APEC) Ministers, met on 4-5 October 2013, in Bali, Indonesia. The meeting was co-chaired by H.E. R.M. Marty M. Natalegawa, Minister for Foreign Affairs of Indonesia and H.E. Gita Wirjawan, Minister for Trade of Indonesia.
2. We welcomed the participation in the meeting of Director General of the WTO, Chair of the APEC Business Advisory Council (ABAC), Secretary General of ASEAN, co-chairs of the Pacific Economic Cooperation Council (PECC), representative of the Pacific Islands Forum (PIF), and representative of the Melanesian Spearhead Group (MSG).
3. We assembled today to reiterate our shared commitment towards a seamless regional economy and to continue our course to integrate to grow and to innovate to prosper. We reviewed the current state of affairs in the Asia-Pacific region, assessed the progress made this year, and discussed the way forward for APEC to ensure the Asia-Pacific region remains resilient and to fulfill our role as the engine of the global growth. Under the APEC 2013 theme of “Resilient Asia Pacific, Engine of Global Growth,” we are committed to deepen our efforts towards attaining the Bogor Goals, promoting connectivity, and achieving sustainable growth with equity.

State of the Region

4. Our economies have taken a number of important policy actions that have helped to contain key tail risks, improve financial market conditions and sustain the recovery. Nevertheless, global growth is too weak, risks remain tilted to the downside, and the economic outlook suggests growth is likely to be slower and less balanced than desired. We recognized the importance of a comprehensive series of structural reforms so to increase productivity, labor force participation and high quality job creation. We will work to achieve stronger and sustainable recovery by, among others, ensuring fiscal sustainability, building human capacity through education and training, boosting domestic sources of growth, increasing domestic savings, providing sources of trade financing and enhancing competitiveness.
5. We are committed to strengthening transparency and sharing information on macroeconomic policies, and to working together to promote common development in Asia-Pacific region.
6. We are determined to strengthen our cooperation to realize a strong and resilient region with the ability to recover swiftly from economic turbulence, so our region could contribute as the locomotive of global economic growth. With this in mind, we discussed the following outcomes under APEC 2013's priority areas.

APEC in the Evolving Cooperative Architecture

7. We reviewed Asia Pacific's cooperation architecture and noted the development and growing numbers of international and regional cooperation fora and processes. We underscored the importance of enhancing APEC's deeper engagement, mutual reinforcement, synergy and complementarity with these processes so as to ensure a more effective approach in solving complex cross-border challenges, as well as to seize opportunities, such as sustainable development and connectivity. We tasked officials to discuss and make concrete suggestions on ways to take this forward in 2014.

Attaining the Bogor Goals

8. We reaffirmed our commitment to attaining the Bogor Goals of free and open trade and investment in the Asia-Pacific by 2020 and to address the work that remains to be done as identified in 2010. We welcomed the progress made this year in supporting the multilateral trading system and strengthening and deepening our regional economic integration by addressing barriers to trade and investment. We endorsed the 2013 APEC Committee on Trade and Investment (CTI) Annual Report to Ministers.

Supporting the Multilateral Trading System

9. We exchanged views on efforts to strengthen the multilateral trading system, and we highly valued the update by the Director General of the World Trade Organization (WTO) on the current state of WTO negotiations and preparations for the 9th Ministerial Conference in Bali.
10. We reaffirmed our commitment to keep markets open and to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO-inconsistent measures in all areas, including those that stimulate exports. In support of this commitment, we recommended that our Leaders extend through the end of 2016 our standstill commitment to fight against protectionist measures and our resolve to roll back protectionist and trade distorting measures.
11. We reaffirmed our commitment to the rules based multilateral trading system and the WTO as its preeminent forum. In this regard, we reiterated our collective resolve to achieve successful and balanced outcomes at the 9th WTO Ministerial Conference in Bali, including agreement on trade facilitation, some elements of agriculture and development, including issues of interest to LDCs. Success at Bali would provide a stepping stone to the full conclusion of DDA, consistent with its mandate and its development dimension. We support the new intensified WTO workplan set out by the Director General and urged Members to come to the table with flexibility and political will.
12. We encouraged the swift conclusion of negotiations to expand product coverage of the WTO Information Technology Agreement (ITA) before MC9, and also seek expanded membership of the ITA. A final ITA expansion outcome should be commercially significant, credible, pragmatic, balanced, and reflective of the dynamic technological developments in the information technology sector over the last 16 years. Such an outcome would strengthen the multilateral trading system, promote connectivity, support regional economic integration, and drive economic development throughout APEC economies and beyond.
13. We recognized accession of new members to the WTO on appropriate terms as one of the priorities for the WTO, which leads to enhanced openness of the markets and thus increased opportunities for both present members and acceding countries. We emphasized the utmost importance of moving forward negotiations on accessions towards their finalization as a supportive symbol of credibility and strength of the WTO as a cornerstone of the multilateral trading system.

Advancing Trade and Investment Liberalization

14. In promoting stronger and deeper regional economic integration and advancing work in trade and investment liberalization, we will continue to work to achieve sustainable, balanced, inclusive, and innovative growth in the Asia-Pacific region and take steps to advance towards achievement of a Free Trade Area of the Asia Pacific. We highlighted the importance of assisting developing economies to achieve the Bogor Goals by 2020 while working to ensure the benefits of liberalization are shared by all. We also encouraged developed economies to take more concrete actions towards attaining Bogor Goals, according to the outcomes of the Report on APEC's 2010 Economies' Progress towards the Bogor Goals.
15. We recalled the Leaders' commitment in 2010 to undertake concrete, practical, and measurable steps to realize an economically-integrated community in APEC. We instructed officials to

review in 2014 our progress towards the Bogor Goals by providing complete information in the Individual Action Plans as directed by the Bogor Goals Progress Report Guidelines endorsed in 2011.

16. We reaffirmed the pledge made by our Leaders in Honolulu 2011 and Vladivostok 2012 against protectionism and rollback of protectionist and trade-distorting measures. We welcomed the individual progress made by APEC economies on non-tariff measures (NTMs) and instructed our official to advance their work to address them.
17. In 2012, we instructed officials to further study in 2013 the impact of local content requirements (LCRs) on regional integration and economic growth, and to discuss trade enhancing ways through which economies can promote job creation and competitiveness goals. In 2013, to fulfill this instruction, we agreed on the APEC Best Practices to Create Jobs and Increase Competitiveness (see Annex F).

Promoting Trade in Services

18. We recognized the critical contribution of services to global trade, and the importance of strong, open and competitive service sectors as drivers of economic activity, growth and job creation. We welcomed APEC's ongoing work to increase the transparency of services trade-related regulations as well as to identify good practices to facilitate services trade and investment and foster the development of open services markets. We commended the practical, business-oriented work examining regulation, trade and investment in various services sectors across the APEC region, including in the areas of financial services, cross-border education, retail services and logistics services.
19. We welcomed the expansion of the APEC Services Trade Access Requirements (STAR) Database and encouraged the further development of this resource as an important tool for business in accessing new services export markets. We also welcomed APEC's work on improving statistical data collection on services trade, including implementation of the Action Plan on Statistics on Trade in Services, recognizing that the importance of services is not adequately reflected in traditional trade statistics.
20. We welcomed the public-private dialogue on services conducted this year and encouraged further engagement between government, private sector and academia to address impediments to services trade growth in the Asia-Pacific region, including through conducting similar public-private dialogues in the future.

Facilitating Investment

21. We encouraged economies to strengthen ways and means to increase investment flows and maintain economic growth in the Asia-Pacific. To this end, we welcomed the progress made by economies in implementing the APEC Investment Facilitation Action Plan (IFAP).
22. We welcomed the public-private dialogue on Corporate Social Responsibility (CSR) and case studies on sustainable investment, and encourage officials to work with the private sector to build and improve upon CSR practices.

Promoting Green Growth

23. We endorsed the Proposal on Capacity-Building Activities to Assist Implementation of APEC's Environmental Goods Commitments, and instruct officials to focus capacity-building where needed as economies implement the APEC Leaders' commitment to reduce tariffs on the 54 products in the APEC List of Environmental Goods.
24. We established APEC Public-Private Partnership on Environmental Goods and Services (PPEGS), and instructed officials to use this new forum as a platform for enhanced dialogue in this sector. We look forward to the first meeting of the PPEGS and to the dialogue on clean and renewable energy in 2014.

25. We committed to strengthen regional cooperation on trade and environmental matters in the region and to share our practices for RTAs in this area.
26. We recognized the importance of additional work to explore trade in goods, which contribute to sustainable and inclusive growth through rural development and poverty alleviation. We instructed officials to carry out a PSU study on this topic.

Promoting Industrial Dialogues on Automotives, Life Sciences and Chemicals

27. We underscored the importance of promoting dialogues with industrial partners to enrich our discussion and provide concrete deliverables and innovative solutions to contribute to attaining the Bogor Goals.
28. We noted work to enhance the participation of small and medium enterprises (SMEs) in the automotive sector and instructed officials to develop ways to facilitate trade and investment in green automotive technologies.
29. We welcomed the continued progress to align and strengthen regulatory procedures for medical products (both drugs and devices) according to international best practices. This includes steps to promote regulatory sciences through the establishment of an Innovative Center of Excellence for the evaluation of multi-regional clinical trials, partnering with the World Health Organization (WHO) on the development of a Good Review Practices document and continued progress in implementing the multi-year roadmap on medical product quality and supply chain integrity.
30. We also welcomed the Chemical Regulator's Forum Action Plan for 2014 to 2015, and welcomed work on regulatory cooperation and convergence; participation in the establishment of the global non mandatory list of chemicals classified according to the Global Harmonized System of classification and labeling of chemicals (GHS) lead by UN Sub-Committee of Experts on GHS; strengthening industry's role as an innovative solutions provider; and chemical product stewardship, safe use and sustainability.

Addressing Next Generation Trade and Investment Issues

31. We remain committed to address the next-generation trade and investment issues as one of the important steps to achieving the Bogor Goals and to our work to provide leadership and intellectual input into the process of developing Free Trade Area of the Asia-Pacific (FTAAP). We instructed officials to continue to address the 2011 and 2012 next generation trade and investment issues. including by finalizing the APEC Innovation and Trade Implementation Practices as soon as possible. We also encouraged economies to identify additional next generation trade and investment issues for work in 2014 and beyond.

Exploring a Free Trade Area of the Asia-Pacific (FTAAP)

32. We reaffirm our commitment to achieve a Free Trade Area of the Asia-Pacific, including by continuing APEC's work to provide leadership and intellectual input into the process of regional economic integration. APEC has an important role to play in coordinating information sharing, transparency, and capacity building, and will hold a policy dialogue on regional RTA/FTAs. We agreed to enhance communication among regional RTAs/FTAs, as well as increase the capacity of APEC economies to engage in substantive negotiations.
33. We encouraged officials to advance the Regional Economic Integration (REI) Capacity-building Needs Initiative (CBNI) Action Plan Framework including in the areas of non-conforming measures, government procurement, safeguards, and dispute settlement proceedings, as a key delivery mechanism for the technical assistance needed to one day make the FTAAP a reality.

Facilitating Trade Financing

34. We recognized that increasing trade finance and risk reduction during crisis is important to

support global recovery and growth. We welcomed the study by APEC Policy Support Unit based on its survey on the recent trends in trade finance in the region. We recognized the work of the Basel Committee to ensure appropriate risk weights for financing activities, including trade finance. We also noted that SMEs face a number of obstacles in accessing finance related to their limited resources and perceived risks by lenders. We encourage financial institutions to enhance trade financing and continue to support trade in the Asia-Pacific region.

Promoting Connectivity

35. We reiterated our Leaders' commitment in 2010 that envisioned the realization of an APEC community. We shared the view that seamless physical, institutional, and people-to-people connectivity are critical prerequisites to achieve the Bogor Goals and attain the APEC community vision. We welcomed the progress made in promoting connectivity in APEC in 2013, and submitted a strategic and long-term APEC Framework on Connectivity to be adopted by Leaders.
36. We welcomed the study on the current state of our connectivity by the APEC Policy Support Unit (PSU). We encouraged economies to take into account the findings as the basis of future endeavor under the Framework.

Promoting Infrastructure Development and Investment

37. We recognized the importance of well-designed, sustainable and resilient physical infrastructure in enhancing the connectivity of our region, addressing supply-chain chokepoints, increasing productivity, and providing significant positive flow-on effects including in access to markets, job creation and economic growth across sectors.
38. We endorsed the multi-year plan on infrastructure development and investment that aims to assist economies to improve the investment environment, promote public-private partnerships, and enhance government capacity and coordination in preparing and executing infrastructure projects. Improvement in these areas would increase the supply of commercially viable projects. We highlighted the importance of an APEC-wide approach in carrying the work forward in the 2013-2016 period and submitted the APEC Multi-Year Plan on Infrastructure Development and Investment to be adopted by Leaders.
39. We recognized the uneven financing capacity across APEC region in the public sector. We also noted the growing importance of the role of private sector in infrastructure development and investment. We encouraged efforts to strengthen partnership involving government, private sector and international institutions to explore and improve infrastructure financing and investment. In this light, we welcomed the development of Public-Private Partnership Guidebook as a tool to facilitate the development and investment in infrastructure through providing a general overview of APEC economies' PPP processes and requirements and the practical guidance that this may offer the APEC PPP Expert Advisory Panel and pilot PPP centre in Indonesia that Finance Ministers agreed to establish in September 2013.

Improving Supply-Chain Performance

40. We welcomed the 2013 interim assessment of the Supply-Chain Connectivity Framework Action Plan. Under the Systematic Approach to Supply Chain Performance Improvements, we endorsed the inventories of supply chain policy recommendations for all eight Supply Chain Framework Action Plan (SCFAP) Chokepoints, and instructed officials to complete diagnostic reports for all eight SCFAP Chokepoints; draft a comprehensive capacity building plan; and begin targeted, focused capacity building activities in economies in 2014.
41. We recognized the contribution that global data standards can make to enhancing supply chain efficiency, and welcomed ABAC's contribution in this area. As APEC economies further develop data standards frameworks, we encourage officials to explore what more can be done to facilitate mutual compatibility amongst data standards frameworks, and the compatibility of economies' frameworks with the use of global data standards.

42. We underscored the importance of enhancing value chain resilience, and advancing work to establish more interconnected and resilient APEC region. We emphasized the importance of evaluating various value chain risks and addressing them through effective risk management and response. We instructed officials to continue to work on this area. We will explore further work in 2014 on the benefit of the development of global value chains, including on the interconnection of supply chains and value chains, so to promote the development of new industries for Asia-Pacific growth.
43. We recognized the continuing threat of terrorism in the Asia-Pacific region and the importance of mitigating this threat as we seek to achieve APEC's vision and objectives. We recalled our Leaders' commitment in 2011 to make regional commerce and travel more secure, efficient, and resilient. We reiterated our commitment to APEC's Consolidated Counter-Terrorism and Secure Trade Strategy, which takes a comprehensive integrated approach to ensuring the resilience of regional commerce by enhancing the ability of member economies to protect their economic systems, recover rapidly from disruptions, and maintain the flow of legitimate trade and travel. We encouraged economies to implement the Strategy, including through capacity building initiatives that support secure regional supply chains, travel, finance and infrastructure. We also noted the importance of continued and close cooperation with the private sector and relevant multilateral organizations in implementing the Strategy.

Enhancing Transportation Infrastructure and Developing Quality Transport

44. We reaffirmed our commitment in 2012 to continue exploring opportunities for diversifying and optimizing transportation and supply chain routes across all modes. We welcomed the outcomes of the APEC Transportation Ministerial Meeting held in September 2013, in Tokyo, Japan that reaffirmed our commitment to improving transportation systems to ease the flow of goods, people, services, and capital in the Asia Pacific through developing a transportation "Connectivity Map" and "Quality Transport" vision and sharing experiences and best practices in enhancing transportation infrastructure investment. We encouraged further collaboration by relevant fora in APEC in promoting well-designed, sustainable and resilient transportation infrastructure, as well as convenient, efficient, safe, secure, and sustainable transport in the region. We welcomed the view of our Transport Ministers on the APEC Business Aviation Core Principles that outline best practices in the economic treatment of international business aviation operations, and that an open and liberal international aviation regime is conducive to commercial and economic growth.

Advancing Regulatory Coherence and Cooperation

45. We welcomed the progress made by economies towards implementing the 2011 APEC Leaders' commitment to strengthen the implementation of Good Regulatory Practices (GRPs) by ensuring internal coordination of rule-making, assessing the impact of regulations, and conducting public consultations on proposed regulations. We instructed officials to continue carrying out related capacity-building and information sharing activities on voluntary basis so as to create a high-quality regulatory environment, and advance regulatory coherence and cooperation, taking into account different economies' circumstances. We instructed officials to report on progress made in undertaking this goal in 2014 and 2015. We welcomed the results of the 2013 update to the "Baseline Study of Good Regulatory Practices in APEC Member Economies and instruct officials to update the study by SOM3 2015.
46. We encouraged interested economies to explore the possibility of using additional tools to strengthen their implementation of good regulatory practices, including single on-line locations for regulatory information, prospective regulatory planning, including regulatory agendas, and retrospective reviews of existing regulations. We instructed officials to develop capacity-building programs to assist APEC economies in improving their understanding on these tools.
47. We welcomed the mid-term report on progress made by economies in their efforts to achieve structural reform under the APEC New Strategy on Structural Reform (ANSSR) agenda. We highlighted the importance of identifying common challenges and opportunities in implementing

the ANSSR, and encouraged economies to share experiences as a reference for other economies. We instructed officials to continue to collaborate to build more effective and targeted capacity-building initiatives to assist economies to achieve their individual ANSSR targets by the end of 2015.

48. We reaffirmed our commitment to make doing business in the APEC region cheaper, faster and easier. We noted the progress economies are making towards the five percent interim target under the Ease of Doing Business (EoDB) agenda by the end of 2013. We recognized that APEC-wide adoption of the Hague Apostille Convention would facilitate APEC's EoDB targets in the area of trading across borders and advance institutional connectivity among APEC authorities, and we encouraged wider participation in the Hague Apostille Convention. We instructed officials to take into account the findings in the APEC Economic Policy Report on Ease of Doing Business and the PSU Report on EoDB Interim Assessment 2009-2012, and to continue capacity-building activities to assist economies to achieve the aspirational goal of a 25 percent improvement in EoDB by 2015.
49. We encouraged economies to explore the possibility of implementing a one stop shop for online transaction and to provide all the procedures and services to open a business and other procedures and services required to export and e-commerce across boundaries to promote the easiness of doing business.
50. We recognized the work on regulatory approaches on reducing technical barriers to trade and fostering greater regulatory cooperation in the region including through the revised APEC Regulatory Cooperation Advancement Mechanism (ARCAM) on Trade-Related Standards and Technical Regulations and we welcomed discussions on electric vehicles as the topic for the 2014 ARCAM Dialogue. We look forward to the progression of work on advertising standards in the region.
51. Recognizing the work to help implement the APEC Growth Strategy and the ANSSR, we welcomed the APEC Economic Policy Report on Promoting Fiscal Transparency and Public Accountability. We highlighted the importance of building mechanisms and institutions that help citizens to reduce the costs of obtaining information on fiscal policy and foster transparency and promote public accountability.

Enhancing Customs Procedures

52. We noted the importance of enhancing cooperation in efforts to simplify customs procedures to be in line with international standards, such as those developed by the World Customs Organization (WCO). We welcomed the progress in the development of Single Window Systems in each APEC economy towards the promotion of interoperability amongst economies' Single Window Systems and the work regarding transit and suggested guidelines to enhance our institutional connectivity. We welcomed the formation of a Virtual Customs Business Working Group in APEC to enhance collaboration with the private sector on customs-related issues. We welcomed the continued voluntary Intellectual Property Rights (IPR) enforcement operation, as well as the work for IPR border enforcement capacity building activities. We recognized the continued work to build capacity for implementing Authorized Economic Operator (AEO) programs throughout the APEC region in line with the WCO/APEC SAFE Framework of Standards, which contribute to security and facilitation of customs procedures. We supported the work to improve customs risk management for more efficient control on cargo movement, and supported the initiative for future implementation of the Passenger Name Record (PNR) GOV for better passenger profiling whilst providing travel facilitation. We encouraged economies to further implement activities related to capacity-building and sharing of best practices to address at-the-border barriers.

Promoting Cross-Border Privacy Rules

53. We welcomed further work to enhance cooperation in promoting cross border privacy rules and encouraged member Economies to participate in the Cross Border Privacy Rules (CBPR) System on a voluntary basis, as agreed by APEC Leaders in 2011, to reduce barriers to information

flows, enhance consumer privacy, and promote interoperability across regional data privacy regimes.

Promoting Cross Border Education Cooperation

54. Increasing cross-border education cooperation will strengthen regional ties, build people-to-people exchanges, and promote economic development through knowledge and skills transfer. We reiterated the role of education as the pre-eminent source of economic development in the 21st century in creating more and higher quality jobs and bolstering productivity and growth. We welcomed the work in APEC to fulfill the 2012 APEC Leaders' commitment on promoting cross-border education through a Work Plan on Promoting Cross-Border Education Cooperation on a voluntary basis and consistent with individual economies' circumstances, and 2013 vision of 1 million intra-APEC university-level students per year by 2020. We instructed APEC officials to implement related cross-cutting activities in the work plan to further enhance the mobility of students, researchers, and education providers, as well as the existing network of bilateral agreements (see [Annex A](#)). We welcomed Viet Nam's intention to host the 14th Human Resources Development Ministerial Meeting (HRDMM) in 2014.

Facilitating Emergency Response Travel

55. We recognized the importance and urgency for APEC Economies to share information, experiences and best practices in the area of emergency response in times of natural disasters. Thus, we welcomed and supported the Emergency Response Travel Facilitation (ERTF) initiative aimed at identifying facilitation arrangements that would ensure the ease of mobility for emergency responders and their personal equipment, as well as for the business community to take part in the post disaster business recovery (see [Annex B](#)). We instructed officials to develop a work plan on ERTF and to set ERTF as a continuing working agenda item in relevant APEC fora. We also welcomed the outcomes of the 7th Senior Disaster Management Official Forum (SDMOF) held in Bali, August 2013.

Enhancing People Mobility

56. We underlined the significance of facilitating the travel of business persons as a way to enhance economic activities and promote people-to-people connectivity. Hence, we committed to further enhance the APEC Business Travel Card scheme. In particular we welcomed the APEC-funded project for an End to End Review of the Scheme to identify further opportunities for enhancement. We welcomed Russia's full participation in the scheme.
57. We recognized the increasing role of the tourism sector in the Asia-Pacific region as a vehicle for quality job creation, economic growth, and development. We welcomed the outcomes of the High Level Policy Dialogue on Travel Facilitation held in October 2013, in Bali, Indonesia. We will advance our work to further promote travel facilitation in the region through leveraging new technology, as appropriate, to the visa requirements of each economy; enhance capabilities to further develop systems of Advance Passenger Information and noted the potential of Trusted Traveler Programs; and promote Tourist Friendly Airports as part of the Airport Partnership Program, including by showcasing their locality, uniqueness, and authenticity. These efforts are aimed at expediting the movement of travelers, enabling more efficient, more secure, and less stressful travel, and promoting a free flow of tourists within the APEC region.

Promoting Joint Endeavors

58. We welcomed the intellectual inputs provided by our scholars at the APEC Study Centre Consortium Conference 2013. We instructed officials to enhance their engagement with academics to broaden our perspectives and to give more depth to our discussion in APEC. We welcomed the active participation of our youth and young entrepreneurs at the APEC 2013 Youth Summit, and recommendations that resulted from the event. Such joint endeavors are essential in promoting people-to-people connectivity and enhancing the sense of community in APEC. We encouraged the continuation of youth engagement in APEC through similar events in the coming years.

Sustainable Growth with Equity

59. Consistent with the 2010 APEC Leaders' Growth Strategy, we have enhanced our efforts on achieving sustainable growth with equity to ensure a better quality of growth, through strengthening cooperation in the areas of Small and Medium-Sized Enterprises (SMEs), women's economic empowerment, health, ocean, food security, renewable energy, financial inclusion, as well as science, technology and innovation.

Empowering Women and Small and Medium-Sized Enterprises (SMEs)

60. We recognized the important role of women in the economy to generate employment, drive production and innovation, and contribute to economic development and poverty alleviation. We encouraged work to facilitate women's participation in the economy, by incorporating gender consideration in structural reform practices, developing ICT tools and services which enable women to better participate in the economy, expanding access to social protection programs, providing equal access to quality education and employment opportunities, and developing supporting infrastructure that facilitates women's participation in the labour market at all levels including leadership positions. We welcomed the collaborative work undertaken to highlight the importance of women's leadership in the transportation sector, and look to the work as a model for how women's economic empowerment can be integrated into the objectives of broader APEC fora.
61. We appreciated the convening of the first conference and the public-private partnership network meeting on Innovation for Women and Economic Development. We welcomed the commencement of a multi-year project to facilitate sustainable new business models and policy environment for women, and to address impediments in bridging ICT access gender gap.
62. In supporting women in SMEs in their tremendous endeavor, we welcomed the first collaborative efforts by the Women and SME Ministers to encourage joint work in the areas of promotion of entrepreneurial culture and increasing access to finance and markets for women owned and operated SMEs and promotion of SME's internationalization through financial education, financial literacy, and greater consumer protection and awareness. We recommended that greater collaborative work to expand financial inclusion to women be undertaken by the private sector and officials from finance, education, central banks, and telecommunication ministries. We recognized the policy and program recommendations to advance women's access to markets by leveraging government procurement opportunities and support greater work by both the public and private sector to build women entrepreneurs skills and capacity to obtain these opportunities.
63. We welcomed collaboration between the Policy Partnership on Women and the Economy and the SME Working Group to take forward this agenda and initiate projects and concrete actions that will benefit women's SMEs.
64. Recognizing the importance of enhancing APEC SMEs' resilience to natural disasters, we encouraged economies to collaborate with the private sector to strengthen SME business continuity planning (BCP), and advance joint efforts to build more resilient communities and businesses.
65. We acknowledged the importance of an enabling environment to accelerate startups and boost development of SMEs. We instructed officials to advance work that foster an entrepreneurial culture and improves the competitiveness of our SMEs to expand to the international market. We underlined the importance of improvement of each economy's business environment to reach out to the international market with Win-Win relationships. We recognized the need for sex-disaggregated data to enable the public and private sector to effectively measure the impact of market interventions to advance women's entrepreneurship. We encouraged work to promote "One Village One Product" that will facilitate women's entrepreneurship and foster creativity and productivity among SMEs.

Promoting Financial Inclusion

66. We recognized the importance of financial inclusion to achieving equality and enhancing growth potential in the region. We commit to promote awareness and enhance access, eligibility and capacity of poor households and small-and-medium sized enterprises (SMEs) to interact with financial institutions, together with efforts to develop financial literacy and strengthen consumer protection. We welcomed the guiding principles to implement optimal and innovative approaches to promote financial eligibility of the poor and SMEs through innovative distribution channels such as branchless banking.

Promoting Labour and Social Protection

67. We reaffirmed our Leaders commitment in 2010 to promote inclusive growth in APEC region by promoting job creation, human resource development and active labour market policies. We also recognized the importance of close consultation with all sectors of our societies, including business, labour, women, and youth. To this end, we will continue to achieve full and productive employment, and promoting social protection and decent work for all.

Promoting Sustainable Healthcare

68. We recognized that health plays an important role as the driver of economic development. We also recognized the role of innovation and innovative approaches, multi-sectoral and multi-stakeholder collaboration, and public private partnerships in APEC in ensuring the physical and mental health of our citizens. We reaffirmed our commitment to improving the capacity of economies to respond to infectious diseases, to control non-communicable diseases, and to strengthen health systems. We supported the efforts to promote understanding on the safe and effective use of Traditional and Complementary Alternative Medicines (TCAM) by integrating traditional medicine into healthcare systems in accordance with economies' priorities and legislation, and involving communities and strengthening public-private partnerships, taking into account economies' circumstances. We instructed officials to progress the work on implementing the strategies for both health promotion and preventive health care. We also committed to work towards zero new HIV infections, zero discrimination and zero HIV-related deaths, especially through HIV prevention programs in the APEC region. We recognized the importance, including toward the economy, of promoting sustainable healthcare systems that deliver Universal Health Coverage in the APEC region (see Annex E).

Mainstreaming Ocean-Related Issues

69. We underlined the linkage of oceans to the economy, and highlighted in particular that sustainably managed oceans resources contribute to long-term economic benefits. We welcomed the APEC initiative on mainstreaming ocean-related issues and the work plan to promote cross-cutting and cross-fora collaboration to achieve sustainable and inclusive growth. We instructed officials to develop and implement the work plan that will complement our efforts to promote ocean-related issues in APEC. We noted that the work plan will include cooperation on, among others, exchanging best practices in combating Illegal, Unreported and Unregulated (IUU) fishing; sustainable fisheries management and trade, including trade in sustainably harvested fisheries products and aquaculture; new and renewable energy; tourism; science and technology; transportation and marine connectivity. We reaffirmed our commitments on oceans issues at Rio+20, and welcomed the work by the international community to address overfishing and overcapacity.

Strengthening Food Security and Safety

70. We reiterated our commitment to pursue and strengthen our cooperation in achieving sustainable food security through the implementation of the Niigata Declaration 2010 and Kazan Declaration 2012, including through the Policy Partnership on Food Security (PPFS). We encouraged sharing of best practices on this area through Asia-Pacific Information Platform on Food Security (APIP). We reaffirmed the importance of not applying WTO-inconsistent trade measures in pursuing food security.

71. We welcomed the Food Security Road Map towards 2020 as a strategic approach in APEC to achieve the goal of improving food security. We instructed officials to develop and start to implement an operational Business Plan in the coming years. We noted that the business plan would address the sustainable development of the food sector; the facilitation of investment and infrastructure development; and enhancing trade and markets. The operational Business Plan should reflect close collaboration among relevant APEC fora and private sector, and not duplicate existing APEC initiatives.
72. We recognized the crucial role of farmers and fishers, especially small holders and women, in increasing food production and attaining food security in the region. Noting their vulnerability to economic turbulence and natural shocks, we underlined the need to enhance their capacity to reduce food losses and further strengthen their role in our investment and environmental conservation policies. We valued the creation and enhancement of partnerships that involve key stakeholders in food security, including by integrating smallholder farmers and fishers with the private sector in food supply-chains. The partnerships should also take into account the importance of gender equality and the significant role of women in ensuring food security from household, to community, economy-wide, and regional levels. We welcomed the multi-year project on Strengthening Public-Private Partnership to Reduce Food Losses in the Supply Chain.
73. We recognized the continued efforts of the Food Safety Cooperation Forum (FSCF) and its Partnership Training Institute Network (PTIN) in developing food safety capacity in the region, strengthening food supply-chains in the region and complementing the efforts in the alignment of domestic regulations with international standards.
74. We recognized that education of SMEs on Food Safety Standards plays an important role to improve the competitiveness of SMEs, facilitate trade and increase food safety which is eventually promoting public health. In this regard, we noted the importance of having comprehensive technical approaches to assist and build the capacity of SMEs to apply and enhance compliance of food safety standards.

Promoting the Application of Innovative Biotechnologies

75. Acknowledging that agricultural biotechnology advances APEC economies' agricultural sustainability and goals for food security, we agreed to promote the sharing of information and experience on the creation and fostering of science-based regulations, and to identify applications of agricultural biotechnology that address the environmental, food, and health challenges in member economies.
76. We reaffirmed our commitment to promote science-based risk assessments and transparent decision making consistent with domestic laws as part of the continuing effort to educate the public about the importance of global food security of providing farmers with production choices, including agricultural biotechnology.
77. We demonstrated support for small farmers by directing the HLPDAB to develop a platform to share information on policy and innovative technologies, appropriate for small farmers' use. We encouraged officials to conduct risk communication outreach to improve public understanding on agricultural biotechnology.

Enhancing Science, Technology and Innovation Cooperation

78. We welcomed the commencement of work by the Policy Partnership on Science, Technology and Innovation (PPSTI) under the Chairmanship of Indonesia. We instructed officials to enhance the development of science, technology and innovation cooperation and to explore effective innovation policies, mindful of its focus on building science capacity, promoting an enabling environment for innovation, and enhancing regional science and technology connectivity.
79. We appreciated the convening of the first meeting of APEC Chief Science Advisors and Equivalents (CSA) Co-Chaired by Indonesia and New Zealand, which has been able to deliver a

unique contribution to APEC Leaders' Vision of Innovation and Cooperation Networking in the Asia Pacific region. We recommended the CSA meeting and its associated network to continue as informal mechanisms to support policy discussions on common regional APEC issues where science and science based innovation challenges need to be addressed.

Promoting Sustainable Forest Management

80. We reaffirmed our strong commitment to increase forest cover in the APEC region by 20 million hectares by 2020 as outlined by APEC Leaders in 2007. We welcomed the outcomes of the Meeting of Ministers Responsible for Forestry held in August 2013, in Cusco, Peru, on sustainable forest management promoting and enhancing governance through institutional and legal frameworks that involves management, conservation and rehabilitation measures, increased forest cover, research and innovation, indigenous community participation, enhancement of environmental education, strengthened efforts to combat illegal logging and associated trade, promotion of private investment, and capacity building, so as to promote sustainable forest management and closer forestry cooperation and exchange in the region.

Combating Wildlife Trafficking

81. We recognized that wildlife trafficking threatens our sustainable economic development. We committed to treat wildlife trafficking crimes seriously; reduce the supply of and demand for illegally traded wildlife; increase public awareness and education related to wildlife trafficking and its impacts; and enhance international cooperation through Wildlife Enforcement Networks (WENs) and other existing mechanisms.

Promoting Clean and Renewable Energy and Sustainable Development Mining and Metallurgy

82. We are committed to strike a balance between growth rate, quality and efficiency, and to establish a comprehensive and coordinated sustainable development.
83. We welcomed the convening of the Conference on Clean, Renewable and Sustainable Use of Energy that took place in Nusa Dua, Bali in September 2013 to discuss efforts to boost investments in clean and renewable energy, to build capacity and technical cooperation in projects that involve advanced technologies and skilled human resources, and to share the importance of cooperation on low carbon growth.
84. We instructed officials to implement set of specific actions that will strengthen our collective efforts on energy development, specifically on clean and renewable energy, to reach the energy security and sustainability in the region (see [Annex C](#)).
85. We reaffirmed our commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services. We instructed officials to continue to build regional capacity. We welcome the development of a methodology for a Voluntary Peer Review Mechanism of these inefficient fossil fuel subsidies and encourage broad voluntary participation in these reviews as a valuable means of enhanced transparency and accountability. We welcome the initiation of economy-owned peer reviews and use of the voluntary reporting mechanism.
86. We noted the value of the Energy Smart Community Initiative (ESCI) to promote innovation for green growth through knowledge and best practice sharing. We encouraged economies to continue to make efforts to support ESCI related activities.
87. We took note of the challenges in establishing new mining and metallurgical projects and ensuring projects are developed in a sustainable manner that brings greater benefits to society. We reiterated the importance in bringing together common concerns of the APEC economies on sustainable mining and metallurgy, including technical and non-technical risks factors. We identified that to increase the mineral added value of the industrial activities of our people means to increase the regional added value through a wholesome effort of sectoral and regional improvement. As the largest region of ore producers and consumers, we recognized the

importance of promoting interregional trade and communication, cooperation and synergy with other regional groupings, such as the EU, by encouraging sharing of knowledge and experiences in mining and metallurgical business sector.

88. We acknowledged the importance of enhancing and balancing the share of cleaner fossil fuels, such as natural gas and the use of clean coal technology, in the energy mix that would help to reach energy sustainability in the Asia-Pacific region.
89. We underlined the value of cross border mechanism, such as the Joint Crediting Mechanism to disseminate low carbon technologies to achieve sustainable growth.

Improving Energy Efficiency

90. We also reiterated the importance of improving energy efficiency, particularly in industry, consumer including home appliances, equipment, building and houses, and transport sectors, in order to ensure sustainable energy use in the region. We reaffirmed our commitment in 2011 to aspire to reduce APEC's aggregate energy intensity by 45 percent by 2035, using 2005 as a base year. We encouraged officials, in close cooperation with private sector, to implement policies that improve energy efficiency, including capacity building initiatives, joint studies and harmonization of energy efficiency standards.

Fighting Corruption and Ensuring Transparency

91. We reaffirmed the importance and the need to enhance prevention and enforcement in addressing corruption, bribery and other financial crimes and illicit trade that imperil our security and prosperity agenda, including the safeguarding of public assets, natural resources, and human capital. We also reaffirmed our commitment to create ethical business environments that support sustainable economic growth, in particular by strengthening ethical standards, and we encouraged all stakeholders to implement APEC's high standard principles for codes of business ethics. We applauded the Anti-Corruption and Transparency Working Group (ACTWG)'s continued leadership in collaborating with other APEC fora. We further committed to establish among member economies an "APEC Network of Anti-Corruption Authorities and Law Enforcement Authorities (ACT-NET)", under the auspices of ACTWG to promote networking and foster relationship-building among anti-corruption and law enforcement officials who can assist one another in detecting, investigating and prosecuting corruption and domestic and foreign bribery, money laundering, and illicit trade cases; to provide a forum that can facilitate bilateral and multilateral discussions of such cases, as appropriate; and to facilitate the sharing of expertise and experiences in detecting, investigating and prosecuting such cases (see Annex D).

Strengthening APEC

92. We reiterated our commitments to Economic and Technical Cooperation (ECOTECH) and Manila Framework as APEC's main pillar in attaining sustainable growth and equitable development in the Asia-Pacific region and in reducing economic disparities among APEC economies. We also reaffirmed our commitment to continue leveraging ECOTECH activities to help developing economies achieve the Bogor Goals by 2020. We welcomed efforts to maintain focus on ECOTECH and instructed officials to improve the effectiveness of SOM Steering Committee on ECOTECH (SCE)'s work, capacity-building and communication. We commended the progress made this year in advancing the ECOTECH agenda and endorsed the 2013 Senior Official's Report on Economic and Technical Cooperation.
93. We noted an SCE survey was conducted this year and welcome the 12 recommendations formulated as an outcome of the survey. We directed Senior Officials to oversee the implementation of those recommendations and report to the AMM next year and in the years to come.
94. We acknowledged ongoing endeavors to strengthen the coordination between APEC fora and to streamline operating processes of SCE. We instructed Senior Officials to continue improving this

- coordination and urge APEC fora to enhance communication so as to avoid duplication of work and maximize synergy. We encouraged APEC secretariat to work out the recommendations for streamlining CTI sub-fora. We noted recent work in this area on women's issues, SMEs, oceans, connectivity, food security, education and travel facilitation.
95. We recognized that synergies exist between APEC and other fora, including ASEAN, and welcomed collaborative capacity building activities this year which advanced economic integration goals of both fora. We instructed officials to continue to organize joint activities in areas of mutual interest, where common objectives are shared.
 96. We supported the decision of our officials to transform the Counter Terrorism Task Force into a Working Group. We underlined the importance of our work in counter terrorism in securing our supply chains, finance, travel, and infrastructure in the APEC region.
 97. We committed to strengthen our deliberation on important issues by enhancing cross fora collaboration and synergy. We noted that such work has been conducted on issues of women's economic empowerment, SMEs, oceans, connectivity, food security, education, as well as travel facilitation and encouraged future joint work on other important issues.
 98. We recognized that advancing APEC economic and technical cooperation requires greater levels of funding to the APEC Support Fund. We welcomed generous voluntary contributions from member economies, to be utilized for our goal of bridging development gaps among economies. We also urged economies to continue making voluntary contributions to help support the implementation of targeted capacity building activities.
 99. We emphasized the importance of public-private interactions in APEC to promote growth in the region. We welcomed active participation and valuable inputs that ABAC provided this year on various cross-cutting agenda in APEC.
 100. We recognized the importance of budget and management arrangement in APEC as a means to solidify APEC as an institution. In this regard, we welcomed the work of APEC in financial realignment and institutional management issues. We also welcomed the work on project management that would improve capacity-building activities in APEC, including the work by Budget and Management Committee (BMC) to better evaluate the impacts of APEC projects.
 101. We welcomed the ongoing work on the institutional arrangements and endorsement of the APEC Secretariat's 2014-2016 strategic plan to strengthen its role and capacity in supporting APEC to achieve its goals. We supported the work of strengthening the operational and institutional capabilities of the APEC Secretariat. We instructed officials to further review the administrative and budgetary issues in APEC so as to further improve the effectiveness of our work in APEC.
 102. We acknowledged the continued research and analytical contributions provided by the PSU in progressing APEC's goals. We supported undertakings to strengthen the PSU's institutional capacity to fulfill its mandate through its five-year strategic plan.
 103. We endorsed the 2013 Senior Officials' Report on APEC's work program, including the recommendations contained therein, noted the 2013 Annual Report of the APEC Secretariat Executive Director, and approved the 2014 APEC budget and member contributions. We welcomed preparations for APEC 2014 in China.

Annexes

- Annex A. Advancing the Promotion of Cross-Border Education Cooperation.
- Annex B. Emergency Response Travel Facilitation (ERTF).
- Annex C. Promoting Clean, Renewable, and Sustainable Use of Energy.
- Annex D. Enhancing APEC Network in Combating Corruption and Ensuring Transparency.
- Annex E. Sustainable Healthcare System in the Asia Pacific.
- Annex F. APEC Best Practices to Create Jobs and Increase Competitiveness.

ANNEX A

ADVANCING THE PROMOTION OF CROSS-BORDER EDUCATION COOPERATION

Education is a significant driver of innovative growth, contributing to higher quality jobs and economic productivity. Cross-border education cooperation will strengthen regional ties, build people-to-people exchanges, and promote economic development through knowledge and skills transfer. It will also contribute to the implementation of APEC's multi-year connectivity agenda.

APEC Leaders in 2012 encouraged further development, on a voluntary basis and consistent with individual economies' circumstances, of cross-border education cooperation and facilitation of exchange in education services within APEC. APEC will work towards enhancing the mobility of students, researchers, and education providers, as well as the existing network of bilateral agreements.

To implement the 2012 Leaders' commitment, APEC in 2013 established a Work Plan on Promoting Cross-Border Education Cooperation. It set up an Ad Hoc Coordinating Committee to progress the work plan by compiling activities that support the promotion of cross-border education cooperation from across relevant APEC fora. The work plan is a living document and we encourage economies to contribute additional activities that would assist in deepening education cooperation in our region.

We instructed officials to implement and develop this initiative and deliver strong outcomes on cross-border education cooperation, on a voluntary basis and consistent with individual economies' circumstances, including work on the following areas:

- Technical assistance to improve cross-border education data collection and experience-sharing in cross-border education in the region.
- Information sharing of policies on qualification frameworks systems, quality assurance frameworks, accreditation, and recognition.
- Facilitation of trade and investment in education services.
- Developing guidelines for education cooperation based on best practices.
- Sharing cross-border education cooperation strategies.
- Capacity building to enhance economies' institutions' ability to sustain cross-border education services and provide consumer protections.

ANNEX B

EMERGENCY RESPONSE TRAVEL FACILITATION

Natural disasters, in particular in the APEC region, have had a devastating impact on our people and economies. They can have adverse ramifications on other economies by disrupting production, trade and the supply chain, and overall become a major obstacle to Asia-Pacific's resilience.

The APEC High Level Policy Dialogue on Disaster Resiliency, meeting in Honolulu in November 2011, recognized the importance of the supply chain and related infrastructure in the delivery of goods and services following a disaster. To this end, we recognized that a timely delivery of international support, including the rapid deployment and acceptance of assistance personnel and supplies, will save lives in the immediate aftermath of disasters, and subsequently assist the supply chain rehabilitation, business resumption, and economic recovery.

The APEC report on the Stocktaking Study of Emergency Response Travel Facilitation for Personnel, Goods and Equipment in Times of Crisis confirms the importance and urgency of cross-border movement of international responders and their personal equipment in assisting at the initial stages of recovery in the aftermath of a large-scale disaster.

Considering the different circumstances of the APEC member economies, we recognized the following best practices and recommendations from the wide survey that are provided in the aforementioned stock take report:

1. To encourage review and self-assessment of domestic policies and procedures with regard to providing and hosting international relief assistance.
2. Update and improve—within individual economies—current domestic legislation to align with new domestic and global realities, and with the international framework proposed by institutions such as International Federation of Red Cross and Red Crescent Societies, United Nations, APEC and ASEAN.
3. Intensify partnerships among government organizations, businesses, and local communities for exploring scenarios of relief coordination and recovery, with business continuity and economic and social development as the end goal.
4. To promote the establishment of a virtual information network to support and promote weather prediction, disaster monitoring, loss and needs assessment, as well as, bilateral, regional and international arrangements on entry facilitation for foreign personnel, volunteers, special goods and equipment. These would help enhance efficiency and effectiveness of international relief assistance.
5. To engage in regular training, workshops and exercises on topics focused on entry facilitation of international responders, goods, and equipment.
6. To explore the extent and application experience of the APEC Business Travel Card to which it could be appropriately used by those responding in an emergency to assist with business continuity.

Against this backdrop, we instruct Senior Officials to carry the initiative forward by developing a Workplan on Emergency Response Travel Facilitation (ERTF) as a living document that consists of activities and efforts to facilitate the movement of international responders in times of disaster. We also instruct Senior Officials to include ERTF as a continuing agenda of discussion at the Emergency Preparedness Working Group in collaboration with the Business Mobility Group (BMG), and Sub-Committee on Customs and Procedures (SCCP).

ANNEX C

PROMOTING CLEAN, RENEWABLE, AND SUSTAINABLE USE OF ENERGY

APEC member economies have long supported the development of clean and renewable energy. The 2011 APEC Economic Leaders' Declaration called on economies to speed up the transition towards a global low-carbon economy in a way that enhances energy security and supports APEC's aspiration to reduce aggregate energy intensity by 45 percent by 2035. The 2012 Leaders' Declaration also recognized the need to further promote energy efficiency and cleaner energy supplies as a priority to boost sustainable development and energy security, and reduce carbon emissions.

This year, emphasis has been placed on energy security as an important ingredient towards sustainable growth and equitable development in our region. APEC member economies need to strengthen their works to promote clean and renewable energy resources. To this end, we supported the outcome of the Conference on Clean, Renewable, and Sustainable Use of Energy in the Asia Pacific Region held in Bali in September 2013.

Under the APEC framework, while taking into consideration the circumstances of individual economies, we encourage concrete actions to facilitate the development clean, renewable and sustainable energy use through (i) Boosting Investments in Clean Energy and Renewables, (ii) Capacity Building and Technical Cooperation, (iii) Fostering Cooperation on Clean and Renewable Energy Development Projects, and (iv) Enhancing Energy Efficiency to Support Sustainable Cities, Communities and Industries. These actions could include:

- a) Developing and sharing information and best practices on appropriate policies, laws and regulations that support the implementation of these objectives.
- b) Encouraging APEC member economies to manage their dependence on oil and broaden use of natural gas for transportation through policies and measures to promote energy efficiency in transportation and to diversify the fuel mix.
- c) Recognizing the importance of sustainable energy, as one of the contributing factors to our energy security and to the reduction of global greenhouse gas emissions. Such concerns have long been a priority in many member economies. We recognize that energy sustainability is dependent on a transformation of energy systems along low-carbon pathways and the efficient use of energy resources. We are also cognizant that amongst the key components to achieve sustainable energy use are the balanced development and utilization of clean and renewable energy, the efficient and smart usage of our energy resources, and energy efficient homes, transportation and industry.
- d) Developing conducive policies and regulations in open and transparent regulatory systems for the promotion of private sector financial investment in the clean and renewable energy sector.
- e) Reaffirming our commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services, continuing to build regional capacity, welcoming the development of a methodology for a Voluntary Peer Review Mechanism of these inefficient fossil fuel subsidies and the initiation of economy-owned peer reviews and use of the voluntary reporting mechanism, and encouraging broad voluntary participation in these reviews as a valuable means of enhanced transparency and accountability.
- f) Encouraging policies and sharing best practices to boost clean and renewable energy development, and stimulate growth of industries and jobs throughout the APEC region.
- g) Promoting trade and investment in clean and renewable energy goods and services.

- h) Recognizing the importance of cross-border mechanisms, such as the Joint Crediting Mechanism (JCM), to disseminate low-carbon and clean and renewable energy to achieve sustainable growth.
- i) Strengthening technical capabilities in sustainable energy development as well as the exchange of knowledge and best practices to boost trade and investment.
- j) Acknowledging that further cooperation amongst relevant APEC member economies to engage in optimum and sustainable bio-energy development projects could help make APEC a world leader in bio-fuels production without compromising food security, environment and wildlife habitat. This cooperation could make significant contributions to energy conservation and to mitigating the impact of global climate change.
- k) Strengthening regional and international cooperation to advance clean and renewable technology development and enhance deployment, and encourage all APEC member economies to cooperate proactively to meet the challenges of clean and sustainable energy future.
- l) Encouraging the APEC Energy Working Group (EWG) to expand engagement in the following types of activities, working with other APEC fora and Working Groups, existing APEC entities, such as the Asia-Pacific Energy Research Center (APEREC) and other organizations and networks, where appropriate, to advance the aforementioned objectives by:
 - Strengthening mutual cooperation on energy, specifically clean and renewable energy and energy efficiency, among APEC member economies, with the aim of achieving enhanced energy security and sustainable development in the APEC region;
 - Creating an environment that supports greater private sector investments in clean and renewable energy as well as supporting supply chains;
 - Increasing the capacity of APEC member economies by sharing knowledge and information, policy best practices, and conducting technology demonstrations and rigorous capacity building programs in all aspects of clean and renewable energy development; and
 - Developing a comprehensive Work Plan of APEC projects to help implement the above concrete actions.
 - Working with existing organizations and networks, where appropriate, to advance the goals outlined above.

ANNEX D

ENHANCING APEC NETWORK IN COMBATING CORRUPTION AND ENSURING TRANSPARENCY

We recognized that corruption is not only a significant impediment to social and economic development, but also a contributing factor in lowering public trust and investor confidence. Corruption hampers and distorts market competition, threatens consumer safety, and raises the costs of doing business, providing public services, and completing infrastructure projects.

In 2004, through the Santiago Commitment to Fight Corruption and Ensure Transparency, APEC Leaders acknowledged the threat that corruption poses to good governance and economic growth in the Asia-Pacific and underlined the need to nurture and sustain good governance, economic development, and prosperity through collective cooperation in combating corruption and ensuring transparency.

In 2012 APEC Leaders endorsed the Vladivostok Declaration to renew their commitment to fight corruption and ensure transparency and to outline common activities in the future. Accordingly, in order to enhance the enforcement of members' laws addressing corruption and bribery in compliance with the APEC Course of Action on Fighting Corruption and Ensuring Transparency this year we endorsed the establishment of the APEC Network of Anti-Corruption and Law Enforcement Authorities (ACT-NET), a network that will meet annually and bring together law enforcement authorities, anti-corruption agencies (investigators and prosecutors), and authorities responsible for mutual legal assistance and extradition from APEC member economies.

ACT-NET will provide APEC member economies with an additional instrument to address and respond dynamically to the most important issues of law enforcement in combating corruption, bribery, money laundering, and illicit trade issues in the Asia-Pacific region.

ACT-NET will operate under the auspices of the Anti-Corruption and Transparency Working Group (ACT) and in compliance with the APEC Course of Action on Fighting Corruption and Ensuring Transparency.

We instructed officials to use ACT-NET to conduct the following:

- To facilitate the sharing of expertise and experiences in detecting, investigating, and prosecuting corruption and domestic and foreign bribery, money laundering, and illicit trade cases;
- To provide a forum that can facilitate bilateral and multilateral discussions of such cases, as appropriate; and
- To promote networking and foster relationship-building among anti-corruption and law enforcement authorities who can assist one another in detecting, investigating and prosecuting such cases.

ANNEX E

SUSTAINABLE HEALTHCARE SYSTEM IN THE ASIA PACIFIC

Improving health is an important contributor to increase productivity and economic growth, as well as to achieve sustainable growth with equity. We recognize the importance of providing quality health care through systems that are sustainable and responsive to the health care needs of our people to ensure the continued prosperity of the Asia Pacific region.

We welcome the work undertaken by APEC for this year to develop sustainable healthcare systems in the region through inclusive access to universal health coverage. The sustainability of universal health coverage is a key priority for economies in the APEC region.

We also recognize that a collaborative, whole of government approach to establishing health priorities and health resource allocation is desirable to improve health and health innovation outcomes. There is benefit in sharing information and best practices in these areas through cross-fora APEC collaboration.

To advance APEC's work on developing sustainable healthcare systems in the Asia-Pacific, we note the views of the 3rd High level Meeting on Health and the Economy and encourage officials to conduct activities consistent with the circumstances in the individual APEC economies, including but not limited, to:

- form a consultative mechanism of relevant APEC groups and stakeholders, including SOM, SFOM, LSIF and HWG, to prepare for a high level discussion on ways to ensure sustainability of health financing systems in cooperation, where appropriate and necessary, with relevant international organizations such as OECD and WHO;
- undertake a study on health care budget setting, allocation processes and technology assessment, and financing mechanisms in the region;
- acknowledge the need to address including through public-private partnerships the significant burden of mental illness, the changing demands on health systems as populations age and lifestyles change, and the continued rise in chronic non-communicable disease in the face of growing infectious disease threats;
- support ways that APEC can contribute to building innovative capacity in medical life sciences, for example in regulatory sciences and the commercialization of research;
- undertake further work to secure the pharmaceutical and medical products pipeline including by supporting initiatives to improve, safe access to legitimate pharmaceuticals and medical products;
- welcome the Medan Principles and APEC Policy Tool Kit for building capacity of health systems to address healthcare-associated infections and anti-microbial resistance;
- Recognizing that Traditional and Complementary Alternative Medicine (TCAM) has the potential to strengthen primary health care and complementary modalities for handling degenerative diseases, the economies call for (i) developing the knowledge and practice of safe and effective traditional medicine through research and development as well as structured education and training, (ii) integrating safe and effective traditional medicine into national health care systems as appropriate by taking into consideration economies' capacities, priorities, legislation and circumstances, (iii) involving communities and strengthening public-private partnership in promoting the socio-economic value of safe and effective TCAM;
- welcome emerging initiatives to strengthen the competencies of the health workforce and its distribution in the region and to reaffirm primary healthcare.

ANNEX F

APEC BEST PRACTICES TO CREATE JOBS AND INCREASE COMPETITIVENESS

Economies are increasingly grappling with challenges they face in trying to create jobs and promote domestic manufacturing in order to generate economic growth, particularly in the wake of the 2008-2009 recession. As a result, there has been a significant increase in the adoption of local content requirements and related measures in economies around the world. While these measures may appear to policymakers to be a simple and powerful tool to promote domestic economic goals, in reality they distort trade and investment, hinder the private sector's ability to reach its economic potential, and can have long-term detrimental effects on economies by stifling competition and the innovations and best practices that flow from competition.

In light of these trends and to enhance more productive long-term economic growth, APEC economies recognize the following policies as an indicative model for driving new and expanded job creation, enhancing competitiveness, and attracting sustainable new investment, innovative technologies, and business activity, that are more productive for long term economic growth and trade and investment than imposing local content requirements and related policies.

Making Economies Cost-Competitive for Production

- **Promote an internationally attractive business environment:** By improving the environment for doing business, economies can make it more attractive for companies to invest and manufacture within their borders. Specifically, economies can accomplish this by increasing the ease of doing business in their markets by making it easier to start a business, deal with permits, employ workers, register property, get credit, protect investors, pay taxes, trade across borders, enforce contracts, and close a business.
- **Support investment in infrastructure development:** The development of well-designed, sustainable, and resilient transportation systems (e.g., roads, rails, and runways) and information and communications networks can attract potential investors and manufacturers, including by reducing the costs of moving products and supplies to market. Economies can maximize the positive impact of infrastructure investment by selecting projects that result in system-wide benefits. Researchers estimate that for every billion dollars spent on infrastructure development, more than 10,000 jobs are created.

Spurring Innovation through New Technologies

- **Support research and development:** Commercial innovations that drive economic progress often depend on breakthroughs in science and technology. Increasing research and development support consistent with market-based principles can help drive economic growth and competitiveness.
- **Promote research collaboration:** Collaboration among the private sector, academia, and governments encourages accelerated adoption of innovations, faster synthesis of scientific breakthroughs, and the deployment of new technologies. In addition, more open access to research results, publications, and data can enable more research collaboration, and therefore, more rapid discovery, synthesis, and adoption of innovations.
- **Provide effective protection and enforcement of intellectual property rights:** Protection and enforcement of intellectual property rights incentivizes innovators to invest in the research, development, and commercialization of leading-edge technologies. Additionally, this encourages high-technology foreign direct investment and provides necessary protection to innovative small and medium-sized enterprises (SMEs).

Attracting Investment

- **Improve the investment climate:** Investment drives productivity, supports jobs, raises income, strengthens trade flows, and spreads international best practices and technologies. In order to capitalize on these benefits, economies should employ sound strategies to improve their investment climates, including by:
 - Ensuring that all investment applications are dealt with expeditiously, fairly, and equitably;
 - Creating and maintaining transparent and sound administration procedures that apply for the lifetime of the investment, including effective deterrents to corrupt practices;
 - Ensuring the availability of quality physical infrastructure, including reliable utility service, high-standard business services, skilled labor forces; and
 - Promoting fair and non-discriminatory treatment of all investors, including through access to effective dispute settlement, strong protections for property rights, and consistent application of laws and regulations.

Economies should also consider ways that they can provide coordinated assistance to communities to strengthen their ability to attract investment, including by dedicating adequate resources to infrastructure projects, research facilities, and training programs.

- **Invest in education and workforce training:** An educated workforce is vital to economic success. In order to attract investment, it is essential to ensure that potential employers can find skilled workers in an economy's market. Job training programs help workers with the skills needed by employers. Training programs targeted at specific sectors and developed in cooperation with individual employers have proven to be most effective in preparing workers for jobs. Improving science, technology, engineering, and mathematics (STEM) education at all levels among men and women is necessary to develop the scientific and technical workforce necessary for economies to be competitive. Finally, economies can benefit substantially from promoting STEM education and occupations to those who are disproportionately underrepresented in this field, particularly women.
- **Strengthen manufacturing supply chains and improve logistics:** High performing supply chains and efficient logistics systems attract investment and boost exports, particularly for small businesses. Economies should look at improving ports and intermodal connections to inland transport infrastructure, streamlining customs procedures, and addressing unwarranted and inconsistent regulation as a way to promote domestic manufacturing and create jobs.
- **Promote access to the digital economy:** Nearly every modern business relies on the Internet, information flows, and information and communication technologies to operate. Overall small businesses that make use of the Internet export twice as much as those that do not. Consequently, taking steps to improve access to the digital marketplace by supporting investment in high-speed interconnected broadband networks; promoting digital literacy; and encouraging the use of innovative electronic payments methods can support economic development and job creation by drawing investment capital into the fast growing technology sector, while also facilitating job growth in traditional industries that rely on technology and digital services.

Opening Markets

- **Address market access barriers:** Increasing trade and investment is critical for economies' economic growth and development. A central part of this effort is to address both tariff and non-tariff and investment barriers in order to expand market access for products and services.

Assisting SMEs

- **Increase SMEs' export opportunities:** SMEs, including start-up companies, are integral to economic growth and development in the Asia-Pacific region, accounting for around 90 percent of

all businesses and as much as 60 percent of the workforce. These businesses are an important source of the innovative and forward-thinking ideas that are often the starting point of new approaches to doing business that can engender tremendous economic growth. Making it easier for SMEs to export, including by helping them find sources of financing, increasing the transparency of customs information and business environments, streamlining customs procedures, increasing their access to information about specialized services (e.g., freight consolidation, trade shows, and certification programs), and improving their understanding of how to utilize regional free trade agreements, is an important step that APEC economies can take to encourage the growth and development of SMEs in the region.

- **Facilitate SMEs' access to supply chains:** SMEs participate in the global economy not only as direct exporters, but also indirectly as providers of inputs to exporters and via intermediaries, such as wholesalers. SMEs contribute a substantial portion of the intermediate inputs used by manufacturing firms. As such, taking steps to enhance the ability of SMEs to participate in supply chains in order to indirectly export is important to job creation and economic growth.
- **Facilitate SMEs access to capital and to emerging technologies:** SMEs formed to develop and commercialize new technologies and innovations can be a source of economic growth in the region. Economies can establish public-private partnerships to give SMEs access to the capital and innovative ideas they need to nurture innovative businesses. Collaboration among APEC economies can assist in improving technology transfer and commercialization from government-sponsored research.
- **Provide SME manufacturers information and tools to improve efficiency and profitability:** Manufacturers that accelerate innovation and acquire and improve their use of technology are far more successful and realize greater opportunities to participate in global supply chains. APEC economies can support this progress by establishing programs and virtual networks to provide SME manufacturers with resources to solve manufacturing problems and identify opportunities for growth, ultimately helping them to create and retain jobs, increase profits, and save both time and money. Examples of specific functions these programs can perform include enhancing efficiency of "shop floor" manufacturing processes and techniques; incentivizing adoption of higher-tech plan and equipment; and creating training programs to increase productivity and use of digital technologies.

High Level Policy Dialogue on Travel Facilitation

Bali, Indonesia
1-2 October 2013

JOINT STATEMENT OF APEC HIGH LEVEL POLICY DIALOGUE ON TRAVEL FACILITATION

1. We, the APEC Ministers and high level representatives responsible for Tourism, Immigration, Customs, and Transportation from Brunei Darussalam; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Malaysia; New Zealand; Republic of the Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; and Viet Nam, met in the High Level Policy Dialogue on Travel Facilitation in Bali, Indonesia, on 1-2 October 2013. We also appreciate the active participation of UNWTO, WTTC, PATA, IATA, and PECC. The dialogue was chaired by H.E. Mari Elka Pangestu, Minister of Tourism and Creative Economy, the Republic of Indonesia.
2. We met under the theme of APEC Indonesia 2013 'Resilient Asia-Pacific: Engine of Global Growth' with priorities of Attaining the Bogor Goals, Achieving Sustainable Growth with Equity, and Promoting Connectivity.
3. We based our deliberations on the recognition by APEC Leaders in 2012 of the significance of travel and tourism as a vehicle for job creation, economic growth, and development in the Asia-Pacific. Travel and tourism can be an engine of growth contributing an average of 8% to the GDP, with one out of 12 jobs coming from this sector. Travel facilitation will promote people to people connectivity which will not only boost tourism, but bring us closer as an Asia-Pacific community.
4. We also undertook this important dialogue to advance the APEC Travel Facilitation Initiative launched by APEC Economic Leaders in Honolulu in 2011 to explore ways to make travel in the region faster, easier, and more secure. This dialogue also supports on-going implementation of APEC's Consolidated Counter-Terrorism and Secure Trade Strategy, and the pursuit of APEC's core economic mission based upon the fundamental pillars of security, efficiency, and resilience.
5. We further recognized the APEC Economic Leaders Declaration in Vladivostok in 2012 which tasked APEC Tourism and Transport Ministers to encourage facilitation of legitimate international travel, to assess liberalization of air transport services, and to improve safety and security of tourist products.
6. We reaffirmed the Khabarovsk Declaration on Tourism Facilitation for a Robust Economy of the Asia Pacific, which was the result of the 2012 APEC Tourism Ministerial Meeting in Khabarovsk, Russian Federation on 24 July 2012.
7. We noted the results of the study on visa facilitation conducted by UNWTO and WTTC for APEC economies. Despite progress made in visa facilitation, 20% of all international travel to and within the APEC region still required paper visas. The study concluded that the implementation of Visa Facilitation could generate 12% to 18% increase or 38 to 57 million additional tourist arrivals, which will generate 1.0 to 1.4 million new jobs directly and US\$62-89 billion more foreign exchange earnings by 2016. We encouraged further studies on this topic.
8. We therefore agreed that travel facilitation is a very important means in promoting connectivity among APEC member economies, which will benefit the entire region in all sectors including trade and tourism. Through this initiative, member economies will have the opportunity to promote travel and tourism as an economic activity, while maintaining secure travel.
9. We are strongly committed to make travel more accessible, convenient, and more efficient by encouraging commitments of economies to form partnerships to ease visa procedures as well as to

leverage new technology, as appropriate to the visa regime of each economy. We recommended that there be a comprehensive study on the impact of visa facilitation on people-to-people connectivity in APEC, with concrete recommendations of what economies can do domestically, in partnership with others, and regionally as APEC.

10. We encouraged the commitment and cooperation for the first time between different APEC fora and programs in order to support the APEC Travel Facilitation Initiative and we support continued work to enhance capabilities to further develop systems aimed at the implementation of Advance Passenger Information and Trusted Traveler Programs for ports of entry in line with global best practices. We urged the relevant five APEC fora, namely the Tourism Working Group, Transportation Working Group, Business Mobility Group, Sub Committee on Customs Procedures, and Counter Terrorism Working Group, to continue collaborating on all six pillars of the Travel Facilitation Initiative which are Advance Passenger Information, Trusted Traveler Programs, Airport Partnership Program, APEC Business Travel Card, Passenger Security Screening, and Checked Baggage Facilitation.
11. We supported the commitment of APEC economies to develop Tourist Friendly Airports, by promoting locality, uniqueness, and authenticity of the destination within the region, as part of Airport Partnership Program, and urged the Transportation Working Group and Tourism Working Group to collaborate on this endeavor.
12. We noted the contributions from UNWTO, WTTC, PATA and IATA regarding Travel Facilitation, including the International Traveller Scheme, and the need for alignment of systems and common standards; and the importance of sharing of data and information.
13. We urged officials in the relevant APEC fora to use studies and the exchange of information and experiences to develop principles and best practices, share knowledge, improve technology and systems, and agree on domestic or regional pilot projects and actions towards achieving the goals of the Travel Facilitation Initiative.
14. We agreed to submit this Joint Statement to the APEC Ministerial Meeting on 4-5 October 2013 and request APEC Ministers' consideration to have this Joint Statement be reflected in the APEC 2013 Economic Leaders' Declaration.

Third High Level Meeting on Health and the Economy

Bali, Indonesia
24-25 September 2013

STATEMENT

The third APEC High Level Meeting on Health and the Economy (HLM3) was held in Nusa Dua, Bali, Indonesia, on 24-25 September 2013. Participants concluded that the continued prosperity of the region is predicated on an ability to provide citizens with quality health care through systems that are sustainable and responsive to the health problems and health care demands of our people. In terms of economic growth and development, the *per capita* value of health investment in economies dwarfs the *per capita* value of all other forms of investment¹. Improving health is an important contributor to improving workforce productivity and participation. That is why health is a key pillar of the sustainable growth with equity priority of APEC 2013. Participants discussed how a collaborative, multi-stakeholder and whole of government approach to establishing health priorities is desirable to improve health and health innovation outcomes in a sustainable way.

HLM3 observed that the disease profile of economies in the APEC region has many commonalities. In most APEC developing economies, spending for health and the sustainability of health systems are increasingly strained by the rise in the morbidity and mortality of non-communicable diseases and continued unacceptable burdens of communicable disease, including re-emerging infectious diseases, and a rise in anti-microbial resistance. Participants noted that these factors can have an adverse impact on financing health. At the same time, APEC economies are committed to providing their communities with access to quality universal health coverage as an investment in their future socio-economic well-being and as a key contributor to the comprehensive wealth and productivity of the economy. There is benefit in sharing information and best practices in these areas and identifying areas of collaboration and cooperation to reduce the burden of disease and cost of care.

Key factors contributing to the sustainability of a system that provides universal health coverage are:

- (1) Financing -- the size of the health budget relative to GDP and other sectors of the economy; the health budget setting process; available funding mechanisms; and, how the budget is allocated horizontally across diseases and vertically in terms of the prioritization of economy-wide, regional, local and community health programs for prevention and wellness, early detection and early intervention, and effective, affordable treatment and care, with a strong focus on equity.
- (2) The ability of the health system to respond to technology shifts: in the delivery of services, in diagnostics and therapeutic interventions, and in the practice of safe and effective Traditional and Complementary Alternative Medicines (TCAM) and services;
- (3) A focus on health promotion and disease prevention to respond to increasing trends towards non-communicable chronic disease as populations' age and life styles change.
- (4) Health workforce availability and competencies to ensure socio-economic and geographic equity;
- (5) Ensuring the integrity of the health system through access to medical products and health services meeting safety, quality and efficacy standards; and ensuring ethical collaborations in the medical innovation development process and ethical business among health care stakeholders;

¹ Arrow *et al*: *Sustainability and the measurement of wealth*. Environment and Development Economics 17: 317–353 © Cambridge University Press 2012 doi:10.1017/S1355770X12000137

- (6) The capacity of a health system to engage in sustainable public-private partnerships according to guidelines that emphasize transparency and good governance in the development and delivery of quality health care; and,
- (7) A strong regulatory framework that is responsive to new technologies, avoids duplication, and ensures that patients have access to therapies when needed;
- (8) The cost-effectiveness of primary health care and its associated value in improving population health outcome, higher patient satisfaction, higher patient compliance and reduced health care spending is more relevant now in responding to the current challenges of non-communicable diseases, ageing population and emerging infectious diseases and future health challenges, as well as the need to involve multi-sectors and partnership at all levels in its implementation.

RECOMMENDATIONS

Recognizing the work of other multi-lateral organizations on matters relating to universal health coverage, non-communicable chronic diseases and health financing, HLM3 recommends that APEC Ministers and Leaders:

- Advocate a Whole-of-Government and Whole-of-Society approach to tackle various challenges faced in recent times to ensure the health and well-being of the population and the prosperity of the APEC economies, given the importance of health capital for economic growth and development.
- Request Senior Officials to form a consultative mechanism of relevant APEC groups and stakeholders, including SOM, SFOM, LSIF and HWG, to prepare for a high level discussion between the health and finance community on ways of ensuring sustainability of the health financing system and, importantly, the areas that would have the highest return on investment in the health of our people.
- Call for a study on health care budget setting, allocation processes, and financing mechanisms in the region to ensure equity of health access in recognition of the role of health in economic development and comprehensive wealth,
 - Note that terms of reference for the study should include elaboration of the complementary roles of the public and private sector in ensuring sustainable healthcare financing and the role of multi-stakeholder approaches to addressing healthcare access and affordability
 - Encourage development of best practice principles for health care financing, the allocation of resources, and technology assessments which will be used to identify priority areas.
- Support programs for advanced training in areas including Global Medical Product Quality and Supply Chain Integrity, Good Review Practices, Cellular Therapies, Multi-regional Clinical Trials, Good Clinical Practice Inspection, Combination Products, Pharmacovigilance, and Bio-therapeutic Products, to support achievement of regulatory convergence and the safety and efficacy of medical products.
 - Support initiatives outlined in the Statement of the 2013 Meeting of the APEC Ministers Responsible for Trade, to accelerate building capacity in regulatory services and secure access to safe medical products to prevent the availability of spurious, substandard, falsified, falsely labeled and counterfeit medical products through harmonized standards for product verification; measures to close illegal internet pharmacies; and the establishment of a single point of contact network as agreed under the APEC Global Medical Products Quality and Supply Chain Integrity Roadmap of the LSIF Regulatory Harmonization Steering Committee.

- Welcome the Medan Principles for Public-Private Partnerships in Infection Control and the APEC Policy Tool Kit for Building the Capacity to Address Healthcare-Associated Infections and ensure access to quality health care services.
- Acknowledge the need to address the significant burden of mental illness; life course concerns, including the changing demands on health systems as populations' age; and, the continued rise in infectious/chronic disease such as HIV-AIDS, NCDs (cancer, cardiovascular, chronic respiratory diseases, and diabetes), and injury. In that regard:
 - Recognize that governments and communities cannot address these challenges alone and
 - Welcome the emergence of public-private partnerships to help address these concerns, and,
 - Recognize the need for further exploration of the role of safe, effective, and quality Traditional and Complementary Alternative Medicines (TCAM) and services in prevention and care.
- Welcome and endorse initiatives to build capacity in regulatory sciences, notably the planned regulatory sciences Center of Excellence, proposals to build capacity in the commercialization of medical innovations developed by individual economies, and the principles for the development of the innovative life sciences sector to support the growth of innovative medical life sciences in the region.
- Recognizing that Traditional and Complementary Alternative Medicine (TCAM) has the potential to strengthen primary health care and complementary modalities for handling degenerative diseases, the economies call for (i) developing the knowledge and practice of safe and effective traditional medicine through research and development as well as structured education and training, (ii) integrating safe and effective traditional medicine into national health care systems as appropriate by taking into consideration economies' capacities, priorities, legislation and circumstances, (iii) involving communities and strengthening public-private partnership in promoting the socio-economic value of safe and effective TCAM.
- Welcome work to ensure that economies' health workforces are sufficient in size, well trained, adequately distributed, motivated and appropriately skilled to meet needs of the regions' economies and support traditional health worker readiness to meet national health regulation, which accommodates the integration and synergy of safe and effective traditional medicines and services into a modern health system.
- Encourage the inclusion of universal health coverage in the post 2015 development agenda, including any unfinished Millennium Development Goals (MDGs) agendas.
- Share best practices on health promotion and preventive care, nutrition, education, employment, social and environmental determinants of health, with a focus on reducing health inequalities.
- Strengthening of Primary Health Care involving all stakeholders including health and non-health sectors in all settings to promote improvement in the quality of patient care through a holistic evidence-based, person-centred approach and a multidisciplinary team collaborating with continuous health promotion.

2013 APEC Finance Ministers' Meeting

Nusa Dua, Bali, Indonesia,
20 September 2013

JOINT MINISTERIAL STATEMENT

1. We, the Finance Ministers of the Asia-Pacific Economic Cooperation (APEC) economies, convened our 20th annual meeting in Nusa Dua, Bali, Indonesia, on 19-20 September 2013 under the Chairmanship of Dr. Muhamad Chatib Basri, Minister of Finance of the Republic of Indonesia. The meeting was also attended by the President of the Asian Development Bank (ADB), the Managing Director of the World Bank Group, the Deputy Managing Director of the International Monetary Fund (IMF), the Deputy Secretary General of the Organisation for Economic Cooperation and Development (OECD), the Executive Director of the APEC Secretariat, and the Chair of the APEC Business Advisory Council (ABAC).
2. As part of Indonesia's APEC 2013 theme of *Resilient Asia-Pacific, Engine of Growth*, we discussed the key economic and financial issues shaping our region's future prosperity. We are determined to place our economies on a stronger, more sustainable, and more balanced growth path.
3. We have taken a number of important policy actions that have helped to contain key tail risks, improve financial market conditions and sustain the recovery. Nevertheless, global growth is too weak, risks remain tilted to the downside, and the economic outlook suggests growth is likely to be slower and less balanced than desired. APEC is an increasingly large part of the global economy and plays a key role in driving global growth. Private demand has strengthened in the US and growth has picked up in Japan, while growth has continued in emerging market economies, although at a slower pace, reflecting in some cases the effect of volatile capital flows, tighter financial conditions, as well as domestic structural challenges. Overall, capital flows have been volatile, private investment remains subdued in many economies, regional growth disparities remain wide, global rebalancing is incomplete, and unemployment remains unacceptably high in some economies. Our actions at this meeting, particularly our agreement on measures to facilitate infrastructure investment, demonstrate our willingness to cooperate to achieve reforms for stronger, more sustainable and more balanced growth.
4. We will implement our fiscal policies flexibly to support economic growth and jobs, while remaining committed to sustainable public finances. We reaffirm our commitments to rebalancing global demand, and to taking the necessary actions to strengthen market confidence, support growth, maintain stability and increase resilience in emerging market economies. We resolve to intensify our efforts to implement structural reforms that boost investment, address fundamental weaknesses, enhance productivity and competitiveness, increase labor force participation and employment, and address internal and external imbalances.
5. We reiterate our commitments to move more rapidly toward more market-determined exchange rate systems and exchange rate flexibility to reflect underlying fundamentals, and avoid persistent exchange rate misalignments. We will refrain from competitive devaluation and will not target our exchange rates for competitive purposes. We will resist all forms of protectionism and keep our markets open.
6. We recognize that strengthened and sustained growth will be accompanied by an eventual transition toward the normalization of monetary policies. We reiterate that excess volatility of financial flows and disorderly movements in exchange rates can have adverse implications for economic and financial stability, as observed recently in some emerging markets. Sound macroeconomic policies, structural reforms and strong prudential frameworks will help address an increase in financial market volatility. We will continue to monitor financial market conditions carefully.

7. We recognize the importance of productivity enhancing infrastructure projects in supporting the region's growth potential and we take note of the APEC Multi-Year Plan for Infrastructure Development and Investment. We acknowledge that it is necessary to enhance private sector participation in infrastructure projects in order to meet infrastructure needs in the region and are committed to supporting this by taking further actions to improve the investment climate. We will continue to coordinate our work in infrastructure financing and development with other relevant international fora and organisations. We welcome the G20/OECD High-Level Principles on Long-Term Investment by Institutional Investors.
8. As many APEC economies are seeking to access private financing for economic infrastructure, we recognize that having clear processes in relation to the planning, prioritization, preparation, and financing of infrastructure projects is critical. This year, we continued discussions on developing new approaches to infrastructure provision, including through public-private partnerships (PPP). We now commit to establish an APEC PPP Experts Advisory Panel (the Panel) reflecting the diversity of APEC economies to enhance infrastructure development in the region, and call on the World Bank, the ADB and the OECD to provide appropriate support (see Annex A). We welcome the active participation of ABAC and the Asia Pacific Infrastructure Partnership (APIP) in the Panel. We welcome the opportunity to support, on a voluntary basis, a pilot PPP centre within the Indonesian Ministry of Finance. This support will assist the Indonesian Ministry of Finance in its ongoing efforts to develop the resources, skills, and capacity of their PPP Centre. We expect that by sharing the experiences of the Panel and the APEC pilot project in Indonesia, APEC member economies can improve their own capacity to design and deliver effective, bankable PPP projects. In the longer term, the Panel can support the emergence of an APEC-wide market for infrastructure investment by helping other economies to develop similar capacity, and create a regional network of PPP centres to share good practices and help align standards.
9. We recognize the importance of financial inclusion to achieving equality and enhancing growth potential in the region. A significant proportion of people in APEC economies still do not have access to the financial system. We commit to promote awareness and enhance access, eligibility and capacity of poor households and small-and-medium sized enterprises (SMEs) to interact with financial institutions, together with efforts to develop financial literacy and strengthen consumer protection. We note that responsible and innovative approaches to promote financial eligibility of the poor and SMEs are paramount to developing an inclusive financial system and to improving the effectiveness of public policy, including Government to People (G2P) transfers. We also noted during workshop discussions that there were several examples of innovative distribution channels being implemented in APEC economies, especially branchless banking (see Annex B).
10. We remain committed to promoting free and open trade and investment. We recognized that trade finance instruments can help facilitate trade and can support SMEs that trade internationally. We discussed the impact of the global financial crisis on the availability and cost of trade finance in APEC economies. We recognize the benefit from trade finance programs managed by international financial institutions during and after the global financial crisis, and support further exploration to strengthen these initiatives. We welcome the study by APEC Policy Support Unit based on its survey on the recent trends in trade finance in the region. We recognize the work of the Basel Committee to ensure appropriate risk weights for financing activities, including trade finance. We also noted that SMEs face a number of obstacles in accessing finance related to their limited resources and perceived risks by lenders. We encourage financial institutions to enhance trade financing and continue to support trade in the Asia Pacific region.
11. Improvements to financial management systems through treasury systems and budget reforms, including spending reviews, are direct mechanisms that can enhance the efficiency of our ministries and our budgets. As such, we welcome the voluntary sharing of information that has occurred amongst our finance and treasury officials on these matters (see Annex B).
12. We recognize a need to intensify our individual efforts to introduce best practices in disaster risk financing (DRF), including fiscal contingency planning, and developing risk transfer instruments available through insurance and capital markets. We welcome the OECD survey report on DRF practices among APEC members. This work will complete the G20/OECD work and the

operational framework for DRF and insurance, developed by the World Bank and several APEC economies. We look forward to more experience sharing, with the help of the OECD, the ADB, the World Bank, and the relevant international organisations, to explore effective approaches that can facilitate the implementation of key priorities identified in the survey.

13. We note that climate change has a significant impact on the environment, social and economic prosperity. In this regard, we support the operationalization of the Green Climate Fund (GCF).
14. We are pleased with the ABAC symposium hosted by Australia, which explored the creation of an Asia-Pacific Financial Forum (APFF). While recognizing the role of official standard setting bodies in providing regional consultation and input on international financial standards, we believe that the APFF, reporting to the APEC Finance Ministers' Process, can make a valuable contribution in deepening public-private collaboration toward the development of sound, efficient, inclusive and integrated financial systems in the region.
15. We welcome ABAC's report and recommendations on infrastructure, financial inclusion and strategies to achieve balanced and innovative growth and stronger regional financial integration (see Annex B). We support the continuation of the APIP Dialogue in 2014 and ABAC's continued contributions to APEC's financial inclusion agenda.
16. We note the progress in the development of Asia Region Funds Passport, including the formation and on-going development of a framework document that sets out its voluntary guiding principles and basic arrangements. We welcomed the signing of the Statement of Intent (SOI) in Nusa Dua, Bali, Indonesia, on 20 September 2013 by some economies that will potentially become members of a pilot group launching the Passport and publicly consult on the detailed rules for its implementation in accordance with the timeline set out in the SOI.
17. We thank Indonesia for successfully hosting the APEC Finance Ministers' Process this year. We will meet again for the 21st APEC Finance Ministers' Meeting in the Hong Kong Special Administrative Region, People's Republic of China, in September 2014.

Annex A: APEC PPP Experts Advisory Panel and Pilot PPP Centre

Annex B: Report of 2013 APEC Finance Ministers' Process Initiatives

ANNEX A

AN APEC PPP EXPERTS ADVISORY PANEL AND PILOT PPP CENTRE

Infrastructure to underpin future growth

We the Finance Ministers of the APEC economies acknowledge that investments in quality infrastructure can provide a solid platform for enhanced growth and development across the APEC region, but that such investments require a long term commitment to reform by governments. We understand that improving the operation of infrastructure markets is crucial to addressing growing infrastructure gaps and raising the productive capacity of our economies more generally. Infrastructure spending by governments must be carefully focused towards projects with good financial and social returns. Private sector resources can potentially play an important role in supplementing government spending in order to achieve individual APEC economies' infrastructure (and budgetary) objectives.

To effectively tap private finance, we recognise that a range of reforms to processes and institutions will be required. It is vital to create supportive investment conditions for the private sector in order to increase its involvement in crucial economic infrastructure development in the region – including through innovative methods such as public private partnerships (PPPs). For many APEC economies, the reforms to achieve necessary institutional settings are challenging and will require a long term commitment by governments. In this regard, we take note that a multi-year focus on infrastructure by APEC can provide economies with a supportive environment aimed at sustaining progress in this area. Broad areas of focus could include:

- A solid regulatory framework to foster a business-friendly environment;
- Integrated planning mechanisms;
- Government capacity to identify and generate a pipeline of bankable infrastructure projects; and
- Development of a financing and funding environment to encourage long term investors.

We believe it is important to match our words with actions at both a regional and local level. We commit to establish an APEC PPP Experts Advisory Panel (the Panel) reflecting the diversity of APEC economies to enhance infrastructure development in the region, and call on international organisations (such as the World Bank, the Asian Development Bank (ADB), and the Organisation for Economic Cooperation and Development (OECD)) to provide appropriate support. We welcome the opportunity to support, on a voluntary basis, a pilot PPP centre within the Indonesian Ministry of Finance. This support will assist the Indonesian Ministry of Finance in its ongoing efforts to develop the resources, skills, and capacity of their PPP Centre. We expect that monitoring the experience of the Panel and the APEC pilot project in Indonesia will help APEC member economies improve their own capacity to design and deliver effective, bankable PPP projects.

Voluntary APEC PPP Experts Advisory Panel

The Panel will be a repository of skills that will bring to life good practices in the APEC region, and help channel technical assistance to developing economies seeking such assistance.

The Panel's initial role will be to provide guidance and support to a pilot PPP centre, including through mentoring key staff and providing strategic advice. The Panel will also:

- assist the development of key, high level organisational aspects of the pilot PPP centre, including its structure, responsibilities and governance arrangements;
- meet regularly with the pilot PPP centre to provide guidance, support and mentoring on processes and technical issues arising in its establishment and ongoing work;
 - To be convened by the chair and held in the margins of APEC Finance Minister stream meetings, workshops, Asia-Pacific Infrastructure Partnership (APIP) meetings or other relevant forums.

- act as a communication channel for the Panel and pilot PPP centre to the region on work undertaken; and
- coordinate with APEC Business Advisory Council (ABAC) and APIP in soliciting broad private sector policy advice, including through the APIP dialogues with individual governments.

In the longer term, the Panel can support the emergence of a connected APEC-wide market for infrastructure investment by helping other economies to develop similar capacity, while understanding that economies will tailor their own centres to reflect different institutional arrangements. The APEC PPP Centres can then be linked into a regional network of PPP centres to share good practices, build capacity, and help align standards.

The Panel could comprise, on a voluntary basis, selected experts from APEC economies with developed PPP processes and institutions. Indicative foundation members might include:

- the current and next chair (on a rotating basis) of APEC (Indonesia and China) and representatives from across APEC regions;
- a representative from the ABAC and APIP; and
- representatives from the World Bank, the Asian Development Bank and the OECD.
 - Panel secretariat services (i.e. meeting preparations/support) could be provided by one of the international organisations (such as the World Bank or the ADB).

The Panel will report back to APEC Finance Ministers on progress of the pilot project. An appropriate independent body could be asked to undertake an interim review of the Panel and the pilot PPP centre after two years, and report the results to APEC Finance Ministers. A full report to Ministers could be made after four or five years to provide sufficient time to achieve results.

If reviews of the pilot PPP Centre show that it is successful, the Panel could provide guidance and support to the roll out of similar PPP Centres in other APEC economies that also wish to develop a similar capacity – or to improve the effectiveness of their existing arrangements.

PPP Centre in a pilot APEC economy

A PPP Centre will be created as a pilot project within Indonesia's Ministry of Finance to identify a pipeline of bankable PPP projects within that economy and overcome problems with domestic coordination on a project by project basis. Its key roles will be to:

- provide technical expertise to the economy for any stage of the project cycle, covering technical, economic and financial questions;
- ensure coordination by developing and reviewing project structures, removing bottlenecks, filling gaps and identifying problems in the delivery of particular infrastructure projects; and
- assist to raise the capacity of relevant entities in the economy to develop PPPs.

It is understood that differing institutional arrangements and approaches in APEC economies – including financial and legislative constraints – will impact on the optimal design features of PPP centres in individual economies.

It is also understood that Governments may also need to think carefully about ensuring appropriate risk allocation in publicly commissioned infrastructure that involves the private sector. The issue is not just about offloading or shifting risk to either party, but about ensuring that risk is assumed and managed by the party best placed to do so.

The pilot PPP Centre will develop an appropriate level of financial and governance expertise in assessing and prioritising projects (including financial arrangements that mobilise public, private and donor resources) at a domestic level.

To support the work of the Panel, we invite APEC economies, international organisations, and ABAC to participate voluntarily in this initiative. Possible roles include:

- APEC economies with established infrastructure/PPP agencies could volunteer the contribution of their officials to work alongside pilot economy officials, or to receive staff secondments from the pilot economy to ‘learn by doing’ in the established infrastructure/PPP agency.
- International Organisations (such as the World Bank, the ADB and the OECD) could assist local officials to design the structure of the pilot PPP centre and help to productively channel offers of technical and capacity building assistance.
- Importantly, the pilot PPP Centre will also establish more regular links and consultation with private sector specialists from organisations such as ABAC and APIP, and relevant domestic organisations.

ANNEX B

REPORT OF 2013 APEC FINANCE MINISTERS' PROCESS INITIATIVES

FINANCIAL INCLUSION

Two APEC workshops on Financial Inclusion were held during 2013 (Jakarta on 27-28 February and Manado on 23-24 May). Several common themes arose from these discussions which can be used as a reference in planning and implementing innovation in distribution channels, especially branchless banking, in APEC economies. These were the need:

- (i) to foster commitment of financial institutions to attend to the needs of the unbanked;
- (ii) to promote the development of sustainable business models and suitable products;
- (iii) for adequate infrastructure, including technology, and robust legal frameworks that can provide services efficiently and effectively;
- (iv) to develop a balanced, comprehensive regulatory framework that can promote financial inclusion;
- (v) to enhance risk management frameworks through identifying and mitigating specific risks;
- (vi) to develop customer protection frameworks to secure trust and to support demand for innovative financial services, complemented with a comprehensive financial education program;
- (vii) to strengthen collaboration and coordination amongst the stakeholders to improve effectiveness; and
- (viii) to develop clear and necessary requirements to regulate operational permits according to international standards and with the support of adequate monitoring and supervision mechanisms to ensure the program is in compliance with prevailing rules and regulations.

Asia Pacific Financial Inclusion Forum (ABAC, Indonesia, ADB)

Innovation promotes financial inclusion by significantly reducing the costs and increasing the efficiency of financial services being offered to low-income households and small enterprises. The 2013 Asia-Pacific Financial Inclusion Forum held at Batam Island, Indonesia on 11-12 June 2013 and convened by ABAC, the Asian Development Bank (ADB) Institute and their partner institutions and a training program hosted by the Australian APEC Study Centre at RMIT University identified various measures that can help governments harness innovation to promote financial inclusion.

Mobile and branchless banking is a key enabler to increase access to financial products and services and represents a significant opportunity to bank the unbanked. However, it is a multidimensional issue involving elements such as: domestic policies for financial inclusion, financial products and services development, regulatory frameworks, cooperation amongst stakeholders and consumer perspectives. As such, the development of mobile and branchless banking services requires a holistic approach to address challenges from multiple angles. APEC Finance Ministers received a full report on the key findings of the Forum.

APEC BUSINESS ADVISORY COUNCIL (ABAC) ASIA PACIFIC FINANCIAL FORUM (ABAC, Australia)

The Asia Pacific Financial Forum (APFF), established by ABAC, is a regional platform for public-private collaboration to help accelerate the development of integrated financial markets.

The symposium was held in Sydney, Australia on 10-11 April 2013. The symposium identified linkages and priority issues in the development of lending and capital markets, market infrastructure and institutions to mobilize long-term savings that APFF can help address. The symposium contributed to deepening public-private collaboration in the development of sound, efficient, inclusive, and integrated financial systems in the region.

TREASURY AND BUDGET REFORM

The APEC workshop on Treasury and Budget reform jointly sponsored by Indonesia and the APEC Secretariat was held on 2-3 July 2013 in Lombok, Indonesia. APEC member economies welcomed the exchange of knowledge and experience among APEC officials on reform initiatives. We note the key themes that emerged from the workshop discussions, including:

- (i) Institutional coordination, particularly between Ministries of Finance and Central Banks, as well as other government agencies and ministries, is an important component for all aspects of treasury and budget reform. Strong relationships between fiscal and monetary authorities can be underpinned by information exchanges, consultation and coordination. Many countries support this relationship with clear rules and arrangements among authorities, such as through Memoranda of Understanding to ensure clear accountabilities and/or protocols;
- (ii) The need to consider various elements of risk in managing treasury and budget systems, such as liquidity risk, political risk and the volatility of government revenue and expenditure flows;
- (iii) The importance of using the results of treasury and budget reform to improve and inform budgetary decisions;
- (iv) The importance of Government Financial Report in enhancing fiscal transparency and promoting long term fiscal sustainability; and
- (v) For spending reviews, performance measures supported by sound methodology and program budget structure are important for improving budget allocation and efficiency over time. These performance measures also provide valuable inputs for governments in their budget policy decision making.

APEC economies welcome the voluntary sharing of information and lessons learnt amongst member economies and international financial institutions on appropriate reforms. This will engender a constructive dialogue to identify and encourage ongoing reform within our region.

ASIA PACIFIC INFRASTRUCTURE PARTNERSHIP (ABAC)

Since 2010, ABAC has created a regional structure to enable governments and the private sector to frankly and objectively discuss complex matters related to infrastructure finance and enhance the understanding of the issues and risks they face. This structure, the Asia-Pacific Infrastructure Partnership, involves key officials, experts from multilateral development banks, and senior private sector experts from a wide range of fields relevant to infrastructure PPPs.

In 2013, APIP Dialogues were hosted by the Philippines and Thailand. Finance Ministers were provided with a briefing on the outcomes of these discussions. ABAC will continue this valuable dialogue as part of the 2014 APEC Finance Ministers' process.

APEC FINANCIAL REGULATORS TRAINING INITIATIVE (ADB)

Endorsed at the APEC Finance Ministers' Meeting in 1998, the Asia-Pacific Economic Cooperation Financial Regulators Training Initiative (APEC FRTI) provides a systematic, integrated, and sustained approach to improve the quality and efficiency of financial supervision and regulation. APEC FRTI is the longest running APEC Finance Ministers' initiative. The ADB serves as the APEC FRTI Secretariat.

In addition to technical and secretariat support, the ADB has continually provided financial support for FRTI activities. ADB has so far financed 7 technical assistance projects totaling \$US 6.5 million to support APEC FRTI.

Since 2001, 4,263 financial regulators and supervisors have been trained in 105 training seminars. These included 58 banking supervision seminars, 45 securities regulation seminars, and 2 short training programs.

In 2013, six seminars—three for banking supervisors and three for securities regulators—have been organized and 277 financial supervisors and regulators have been trained (five more seminars are expected to be organized this year with additional financial support from the Republic of Korea). Requests for training in new learning areas followed the global financial crisis. The FRTI responded by expanding into new topics—including those relating to cross-border supervision and information technology.

2013 High Level Policy Dialogue on Women and the Economy

Nusa Dua, Bali, Indonesia
8 September 2013

STATEMENT

We, ministers and representatives from APEC economies, along with private sector leaders, met in Nusa Dua, Bali, Indonesia, 8 September 2013 for the High Level Policy Dialogue on Women and the Economy, under the Chairmanship of Mrs. Linda Amalia, Minister of Women's Empowerment and Child Protection of the Republic of Indonesia. The Executive Director of the APEC Secretariat, the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC), and the ASEAN Secretariat also attended.

We reaffirmed the crucial role of women in achieving economic prosperity and inclusive growth in the APEC region. We appreciate the initiative of Indonesia in hosting the Joint Ministerial Meeting responsible for Small and Medium Enterprise and Women Empowerment. This meeting highlighted synergies between APEC's activities in SME development and women's economic empowerment and encouraged continued collaboration. We commend the Joint Ministerial Statement on Small and Medium Enterprises (SME) and Women.

We welcomed ABAC's report entitled 'Economic Empowerment and Inclusion of Women in APEC Economies' which sends a strong signal from the business community that the economic inclusion of women is critical for business performance and economic prosperity. We look forward to continuing to strengthen our partnership with ABAC in our joint pursuit of women's economic empowerment.

We welcomed the accomplishments by member economies to advance our previous commitments, such as: the Conference on Innovation and ICT; Access to Capital Workshop: Developing Financial Products to Support Women-owned Businesses; research report on 'Access to Trade and Growth of Women's SMEs in APEC Developing Economies'; the Women and Transportation Forum on the margins of the APEC Transportation Ministerial; and the Seminar on the Dynamics of SME: Informality and Women Entrepreneurship.

We encouraged economies to take concrete actions, implement gender-responsive policies and programs, and introduce, improve and implement laws and regulations to expand economic opportunities and leadership for women in APEC economies. We welcomed the work of the APEC Policy Partnership on Women and the Economy (PPWE), including how to strengthen the gender assessment of APEC projects.

We welcomed the actions reported by economies that aim to realize the full potential of women as economic drivers. We encourage further cooperation between economies, and private and public sectors, to share best practice and enhance regional cooperation, including in the areas of women's access to capital, access to markets, capacity and skills building, women's leadership and the innovative economy.

Recognizing the crosscutting nature of women's participation in the economy, we will promote efforts to integrate gender considerations across the breadth of our joint activities in APEC as a priority.

We look forward to the finalization of the strategic plan to guide the work of the Policy Partnership on Women and the Economy. As the basis of our discussions here in Bali, we considered the following specific efforts:

Structural Reform

We recommend greater collaboration to remove obstacles that currently restrict women from realizing their full economic potential. It is important for governments to promote effective and fiscally sustainable social safety net programs and to encourage or incentivize the private sector to invest in the

empowerment of women throughout their business operations, supply chains, senior management and decision-making roles, and corporate social responsibility (CSR) programs. In this regard, we welcome the outcome of the 2012 APEC Workshop: Access to Markets – Including Women Entrepreneurs in Government Procurement Processes held on 5-7 November 2012 in Mexico.

We are committed to support women in the economies through structural reform measures, and encourage economies to:

- Collect and analyze sex-disaggregated data on micro enterprises and SMEs to inform policy and program development.
- Identify and address legislation, regulations and measures that discriminate against or disadvantage women related to business operations, access to markets, ownership of assets, access to capital, and social protection.
- Identify and promote information sources on technical resources and best practice for APEC economies stakeholders to further advance women's full economic participation.
- Mentor and develop the capacity of women business owners to grow and access new markets, and equip large public and private sector organizations to source from women suppliers.

Women and ICT

Information and communication technology (ICT) is a sector that provides significant economic growth potential for the APEC region. As it relates to women in ICTs, there are three main areas where the APEC region could focus its efforts. First, develop policies, programs and structural reforms that close the gender technology divide. Second, ensure that women have effective access to and knowledge of how to use ICT tools to further economic opportunities and start and grow their businesses. Third, focus on women's ability to access and rise in ICT jobs and opportunities.

Women-owned and operated SMEs have significant potential and provide an important contribution to the APEC region's economic growth. Within the frame of global economic development, these SMEs should take further steps to improve their competitiveness, including through the use of ICTs. This accelerates business transformation through speedy, accurate, and effective exchange of information. Experience indicates that ICT supports women's empowerment in several fields, such as education, health and business innovation. However, women-owned and operated SMEs face additional challenges in accessing ICTs, such as in infrastructure and training. As such, APEC economies could develop policies and strategies to improve the environment that engages women in the rapidly evolving ICT sphere.

In 2012, the APEC Telecommunication and Information Ministerial Declaration recognized that ICT skills and training provide the foundation for human resource development and sustainable growth in ICT in the APEC region, and encouraged new initiatives to improve ICT skills and to provide training programs. Research shows that women and girls still experience greater challenges and barriers in accessing ICTs.

Considering these challenges, we encourage economies to:

- Promote ICT skills and capacity building for women and girls.
- Identify and encourage legislation, regulations, measures and facilities that increase women's and girls' access to ICT tools and services to minimize the ICT gender gap. For example, include gender strategies in broadband network plans.
- Promote initiatives that use ICTs to overcome women's time and mobility constraints, increase access to markets, networks and information for women-owned and operated SMEs, and strengthen women's access to financial services.

Infrastructure and Human Capital

The full and equal labour force participation of women is one of the strongest tools economies have to enhance economic and social development. More than 60 percent of women in the APEC economies are part of the formal workforce. To make the most of this human capital and productivity, the barriers

women face need to be lowered, for example, by improving access to training and fostering flexible workplace policies that enable women to better balance work and family responsibilities

Access to infrastructure that meets the needs of women and men such as clean water, housing, sanitation, electricity, transport and communication networks should be prioritized as lack of this infrastructure poses serious problems for some economies across the APEC region. Other challenges faced by women entrepreneurs are, among others, access to information technology, training, land and property. The lack of access to land and property, for instance, creates a significant barrier to accessing credit. In addition, persistent barriers in access to information and training hinder women from enhancing their capacities and businesses.

Considering these challenges we encourage economies to:

- Share best practices and address concerns on infrastructure and workplace conditions to meet the needs of both women and men, and that enables women to participate fully and equally in the economy.
- Build capacity promoting access to market-oriented training, education, mentoring and market information for women, in particular young women, to increase their ability to start and expand their own businesses.
- Examine and promote laws, training programs, workplace codes of conduct and social infrastructure to encourage the availability of parental leaves, maternity protection measures, and childcare.
- Promote a mindset for employers to recognize the benefits of the re-entry of mothers into the labour force.
- Encourage public and private sectors to increase the female representation on boards, and in senior management position and leadership, and to publicize results.
- Identify and remove legal and regulatory barriers to women's property and asset ownership and ability to sign contracts.

In future, we look forward to further actions by APEC economies to foster women's economic progress for the benefit of all our societies.

First Joint Ministerial Meeting on Small and Medium Enterprises and Women

Nusa Dua, Bali, Indonesia
7 September 2013

STATEMENT

We, APEC ministers and senior representatives from APEC Economies, met in Nusa Dua, Bali, Indonesia, on the 7 September 2013 for the 1st Joint Ministerial Meeting on Small and Medium Enterprise and Women, under the Chairmanship of Mr. Sjarifuddin Hasan, Minister of Cooperatives and Small and Medium Enterprises and Co-Chairmanship of Mrs. Linda Amalia Sari Gumelar, Minister of Women's Empowerment and Child Protection of the Republic of Indonesia, to discuss APEC's roles in strengthening Women SME participation in APEC economies.

Importance of Women SMEs to Our Economies

We recognize the importance of women SMEs to our economies, since it is known that the percentage of women entrepreneurs in our economies is approximately 40%. This percentage includes all types and sizes of businesses, including self-employed small enterprises.

We further reaffirmed the importance of SMEs, including start-ups and microenterprises and, in a number of economies, the informal sector, which have emerged as engines of growth for most of our economies, contributing to Asia-Pacific's resilience. Among SMEs, women entrepreneurs have made tremendous economic strides in generating employment, driving production and innovation, and contributing to local development. Nevertheless, further support is necessary for women SMEs to achieve their full potential.

We encourage the Small and Medium Enterprise Working Group (SMEWG) and Policy Partnership on Women and the Economy (PPWE) to continue to keep each other informed of their activities and to discuss common issues to help address commonly cited challenges faced by women in SMEs through policies, programs and actions in our economies.

Enhancing Cooperation to Empower Women SMEs in the Region

We recognize that it is necessary to enhance cooperation among member economies to further empower women SMEs in the region through collaborative efforts on targeted policy measures for the inclusive development of Women SMEs in the areas of (a) Promotion of Entrepreneurial Culture, and (b) Increasing Access to Finance.

We encourage economies to consider actions to promote entrepreneurial culture in the following areas. Examples of actions that have yielded results in member economies include (a) Developing gender-responsive entrepreneurship policies; (b) Promoting business training that is targeted for women entrepreneurs particularly in business management skills;

(c) Increasing outreach to women on Business Development Services and Business incubators through public-private partnerships, including CSR programs; (d) Measures to foster innovation and, to promote understanding of intellectual property rights among women innovators; (e) Supporting the development of networks for women SME owners and operators; and (f) Providing information that meets the needs of women SME owners and operators.

We also encourage economies to consider actions to increase access to finance in the following areas (a) Reducing barriers to commercial loans, including through women's financial education, the development of an SME credit information system and information-sharing regarding the profitability of loans to women-led businesses; (b) Creating women-focused microfinance programs that support the scaling up from Micro to SMEs; (c) Encouraging economies to create a supportive policy environment for the development of venture capital, angel investment and micro-insurance; (d) Streamlining and

improving the business formalization process, including the provision of ‘one-stop-shop’ services or clear information on starting a business; and (e) measures to encourage the formalization of Women SMEs.

Taking Actions to Empower Women SMEs in the Region

We agree that APEC should emphasize its direct and practical work benefiting Women SMEs. Economies are encouraged to identify priority issues and set goals and targets to be implemented in their economies. We further encourage collaboration between SMEWG members and PPWE members to ensure coordinated APEC action.

We, APEC ministers, are well positioned to undertake the challenges with the commitment towards realizing the 2010 APEC Leaders’ Growth Strategy, which underlined the importance of promoting SMEs, Micro Enterprises (MEs), and entrepreneurship development. This includes work to encourage a wider range of SME participation in high-growth sectors; to strengthen comprehensive support for SMEs with a coordinated approach between SME agencies and other related agencies; and more inclusive access to finance and financial services for SMEs, MEs, women entrepreneurs, and vulnerable groups.

We encourage the SMEWG and PPWE to take this work forward and incorporate the results of our deliberations into their Strategic Plans, and to initiate and collaborate on specific and concrete actions in each priority area prior to the APEC Economic Leaders’ Meeting in 2014.

20th APEC Small and Medium Enterprises Ministerial Meeting

Nusa Dua, Bali, Indonesia,
7 September 2013

JOINT MINISTERIAL STATEMENT *Enhancing SME Global Competitiveness*

Introduction

1. We, the APEC Ministers and their representatives responsible for Small and Medium Enterprises (SMEs), met in Bali, Indonesia, on 7 September 2013 under the chairmanship of H.E. DR Sjarifuddin Hasan, State Minister of Cooperatives and SMEs, of the Republic of Indonesia. The Executive Director of APEC, the APEC Business Advisory Council, the Pacific Economic Cooperation Council (PECC), and the ASEAN Secretariat also attended.
2. We appreciate the active participation by SMEs from across the APEC region at the meetings held from 2-7 September 2013, particularly at seminars/workshops, training or capacity building on ICT usage and exhibition in advance to Ministerial Plenary Session. We agree that hearing the views of small business owners and managers, especially women owned businesses enriched our discussion.
3. We acknowledge the initiative of the 1st APEC Joint Ministerial Meeting on SMEs and Women that recognized the significant contribution women entrepreneurs in SMEs make to the APEC region. In their role as SME owners, women are increasingly becoming recognize for generating employment, driving production, and contributing local development and innovations. We support continue collaboration between the SME Working Group and the Policy Partnership on Women and the Economy.

Share Recognition on the Importance of Enhancing SME Global Competitiveness

4. We recognize that SME Global Competitiveness is a key to enable SMEs in the APEC region to actively participate toward a common goal of integration and development of the economic potential of APEC.
5. We realize that the wide development gaps among APEC member economies need to be brought down. Therefore, special collaborative efforts among APEC member economies need to be carried out in systematic manner.
6. We appreciate the effort under taken by APEC member economies to enhance SME Global Competitiveness among others the Daegu Initiative to promote innovative SMEs and embracing Business Ethics to enhance SMEs' competitiveness.

Sub-theme 1: Entrepreneurship Development for SMEs

7. We recognize that a strong entrepreneurship environment is vital to the growth of the APEC economies. Vibrant entrepreneurs/business activities create job opportunities, provide new product and services, foster innovation and develop local resources. The vigorousness of the entrepreneurship movement plays a catalytic role to spur development of micro-enterprises and SMEs, including women entrepreneurs.
8. We recognize that in-line with the effort to promote entrepreneurship, the promotion of start-up, young entrepreneurs and woman entrepreneurs is of importance and we support providing legal framework, increasing access to Business Development Services and business incubators, fostering innovation through the promotion of intellectual property rights, strengthening

networking, and increasing access to financing and access to market.

9. We note the importance of our innovation goals for assisting the growth of start-ups, and appreciate Chinese Taipei's effort for hosting the inaugural APEC Start-up Accelerator Leadership Summit 2013. We support the "APEC Accelerator 2014" initiative proposed by Chinese-Taipei to establish original accelerator platform where start-ups can benefit in terms of cross border incubation, mentorship, investment, and business opportunities.
10. We encourage private-public partnership to increase the ratio of entrepreneurs to population in the APEC region in order to strengthen economic competitiveness. We support member economies' efforts in collaboration with ABAC on hosting capacity building activities, such as the APEC Start-up Accelerator Leadership Summit and APEC Accelerator Network Forum.
11. We appreciate the initiative of Indonesia to host "The Workshop on The Dynamic of SMEs: Informality and Women Entrepreneurship" that provide opportunities to exchange experiences and views in relation with the promotion of formality of enterprises and women entrepreneurship. We encourage officials to follow up the recommendations of the workshop.
12. We appreciate Japan's efforts to organize "The APEC Women's OVOP Seminar" that provided best practices and key success factors of facilitating women's entrepreneurship with the use of the One Village One Product (OVOP) method. We recognize that the OVOP can be used as a meaningful tool to promote women's entrepreneurship as well as to narrow regional development gaps.

Sub-theme 2: Increasing Access to Finance for SMEs

13. We appreciate the initiative of the United States in leading the "APEC SME Trade Finance Conference". The conference allowed trade finance officials from all 21 APEC economies to engage in this discussions and presentations on current trade finance trends and issues and various program and policy initiatives. The forum also brought together multilateral banks, which present alternative schemes to government and private trade finance programs for SMEs interest in entering the global market. We encourage the networking of such trade financing institutions throughout the Asia-Pacific region. These initiatives will address the lack of access to financing barriers for SMEs in the Asia-Pacific region.
14. We welcome the initiative of Indonesia on the importance of financial inclusion to improve the livelihoods of the poor and in supporting Micro Enterprises and SMEs to increase access to financial sources. We encourage officials in all economies to follow the SMEWG Strategic Plan to cover other policies, including financial education and financial facilitation and services.

Sub-Theme 3: Empowering SMEs to Expand to International Market

15. We appreciate the initiative of Indonesia to host "The Workshop on Doing Business in APEC Region" that provide opportunities to exchange policy initiatives on investment and business opportunities in respective economies. Such event is considerably important to boost investment and trade growth in the APEC region. We recommend such event should be included in the strategic plan for SMEs development toward trade and investment liberalization in 2020.
16. We appreciate Australia's work to organize "The Directory of initiatives available in APEC economies to assist SMEs' access to global markets". This directory will provide an easily accessible resource that will enrich the process of developing policies to help SMEs move to international markets either as exporters or as part of global value chains.
17. We appreciate the capacity building train-the-trainer workshop hosted by Malaysia and the United States to make codes of conduct in the medical device, biopharmaceutical, and construction-engineering sectors functional and operational in companies throughout the APEC region as instructed by Ministers and Leaders. More than 100 newly trained ethics compliance trainers will

implement ethics compliance training throughout the APEC and ASEAN trade region in the upcoming year. These work will raise ethics compliance awareness and place ethics compliance at the core of business applications which is an imperative for conducting business in today's global marketplace.

18. We appreciate the initiative of The United States to organize “The Workshop on Stakeholder Awareness for the Healthcare sector”. This workshop will increase public and private sector ethics awareness and further facilitate the implementation of business codes of conduct to ease trade barriers in the healthcare sector. We applaud the Bali Statement that fosters ethics compliance among relevant healthcare stakeholders and the creation of an APEC Business Ethics Forum to further facilitate regional cooperation and capacity building in our fight against corruption.
19. We appreciate the capacity building train-the-trainer workshop hosted by Malaysia and the United States to make codes of conduct in the medical device, biopharmaceutical, and construction-engineering sectors functional and operational in companies throughout the APEC region as instructed by Ministers and Leaders. More than 100 newly trained ethics compliance trainers will implement ethics compliance training throughout the APEC and ASEAN trade region in the upcoming year. This works will not only raise ethics compliance awareness, it will placed ethics compliance at the core of business applications which is an imperative for conducting business in today's global marketplace.
20. We appreciate the initiative of The United States to organize “The Workshop on Stakeholder Awareness for the Healthcare sector”. This workshop will increase public and private sector ethics awareness and further facilitate the implementation of business codes of conduct to ease trade barriers in the healthcare sector.
21. We appreciate Korea's work to organize “the APEC Green Business Forum.” This forum will assist SMEs in joining global supply chain by going green and promote carbon labeling, addressing possible issues that might prevent business from exploring international market.
22. We note the report and presentation made by ABAC Chair which focus on four prioritized areas namely: (a) Entrepreneurship and innovation; (b) Access to finance; (c) Access to international market especially using IT; and (d) participation of women and young people in business.
23. In response to the ABAC report and presentation, we instructed the SMEWG to accommodate the report and presentation of ABAC and further revise and enrich the SMEWG Strategic Plan (2013-2016).
24. Recognizing the important of our goals for creating a resilient Asia-Pacific, we reaffirm our commitment to assist SMEs in establishing resilient supply chain to facilitate trade and investment. We appreciate the contribution of Chinese-Taipei in hosting the “APEC Train-the-Trainer Workshop on Promoting SMEs Business Continuity Plans” in collaboration with APEC EPWG that continues the efforts to provide the region a platform for SMEs to establish business continuity plans and secure their global supply chains. We encourage further participation to the “APEC High Level Policy Dialogue on Improving Natural Disaster Resilience of SMEs” in 2014.
25. We appreciate the initiative of Indonesia to host “APEC SME Exhibition Local to Global: Locally Connected, Globally Competitive” that provide opportunities to promote SMEs products and to create business network in the international market. We considered such event is useful for SMEs and when possible to be carried out annually back to back with the SME Ministerial Meetings.
26. We recognize the efforts of the APEC SME Working Group to promote SME development and enhance the effectiveness of APEC works for SMEs and encourage them to continue to implement the Group's Strategic Plan.
27. We recognize that good business partnerships among SMEs in APEC region can create Win-Win relationships. Japan stressed that improvement of each economy's business environment was of importance to strengthen those relationships under a situation where SMEs were actively expanding their overseas business.

28. We welcome the initiative of the United States and Australia to develop a series of workshops to address the challenges SMEs face in participating in global supply and production chains. Beginning with a launch workshop in early 2014, this work will encourage collaboration with other APEC for a, ABAC and the private sector and help SMEs expand into global markets.

APEC 2014 SME Meetings

29. We thank China for hosting the 21st APEC SME Ministerial and Related Meetings in Nanjing, China on 5 September 2014 with the main theme of “Innovation and Sustainability” and the three sub-themes:
- Increasing innovation capacities of SMEs;
 - Improving the environment for SMEs’ innovation;
 - Promoting SMEs’ growth through innovation

Toward APEC Indonesia 2013, Economic Leaders Meeting in Bali

30. We agree to present this Joint Ministerial Statement as the contribution to the APEC Economic Leaders’ Meeting on October 2013 in Bali, Indonesia.

8th APEC Transportation Ministerial Meeting

Tokyo, Japan
5 September 2013

MINISTERIAL JOINT STATEMENT

1. As Ministers responsible for transportation in the APEC region, we met in Tokyo, Japan, on 5 September 2013, under the APEC 2013 theme of “Resilient Asia-Pacific: Engine of Global Growth” and its three priorities: (i) Attaining the Bogor Goals; (ii) Achieving Sustainable Growth with Equity; and, (iii) Promoting Connectivity.
2. Our meeting was preceded by a “Business Forum”, where participants from both the private and public sectors shared ideas with respect to the transportation and infrastructure needs of economies – individually and collectively – in order to strengthen the planning and implementation of measures to promote sustainable growth, economic integration, and regional cooperation.
3. Further to a commitment made at our 7th Ministerial Meeting in San Francisco in 2011, a “Women in Transportation Forum” was also convened, recognizing the positive effect that the increased participation of women has on growth, sustainability and the enhanced economic competitiveness of the transportation sector throughout the APEC region.

Promoting Connectivity

4. We remain committed to improving transportation systems to ease the flow of goods, people, services, and capital in the APEC region, and we direct the TPTWG to continue to enhance its work on connectivity including in the areas of aviation, maritime, cruise industry, logistics, intercity and urban transport, intelligent transportation systems, and intermodal networks.
5. Mindful of regional targets of economic integration within ASEAN by 2015, achieving the Bogor Goals by 2020, and recognizing the importance of sharing the vision of the transportation network within the APEC region, we instruct the TPTWG to develop a transportation “Connectivity Map” that will visualize our ideal of physical and institutional integration to be reached by the year 2020, and to report on it at the next Ministerial Meeting.
6. We welcome the efforts of economies to implement the transport elements of the Supply Chain Connectivity Framework Action Plan.
7. We also support this year’s initiative to establish a unifying, forward-looking, and ambitious APEC Framework on Connectivity and its three pillars - physical connectivity, institutional connectivity, and people-to-people connectivity - in order to strengthen regional economic integration, contribute to economic growth and enhance trade.
8. An open and liberal international aviation regime is conducive to commercial and economic growth across the APEC region. We note in particular the conclusion of the 6th meeting of the ICAO Worldwide Air Transport Conference that States should continue to pursue market access liberalization according to their respective situations and requirements, using existing avenues such as the Multilateral Agreement on the Liberalization of International Air Transportation. We also note ICAO’s recommendation to develop and adopt a long-term vision for international air transport liberalization, including the examination of an international agreement. We welcome the progress made by APEC economies in liberalizing aviation markets and recommend that they continue their work in this regard.
9. We endorse the working document of the TPTWG that contains a set of core principles outlining best practices in the economic treatment of international business aviation operations. In accordance with these principles, business aviation can connect major Asia-Pacific centers of trade in an unprecedented, time-saving manner. These principles serve to open the door to global

commerce for smaller communities and rural populations across the region that require access to major cities and manufacturing centers.

10. We further welcome the development by the TPTWG of a set of core principles that embody best practices in the economic treatment of commercial maritime operations. With these principles, as presented in the APEC Framework on Connectivity, maritime trade can connect major Asia-Pacific centers in an efficient, resilient, secure and economically viable manner.
11. Recognizing the importance of Global Navigation Satellite System (GNSS) applications in achieving seamless intermodal transportation to enhance safety, security, and sustainability, we support the work of the GNSS Implementation Team (GIT) and encourage continued efforts by each economy to develop capabilities for GNSS interference detection and mitigation.

Enhancing Transportation Infrastructure

12. We reaffirm that transportation infrastructure development is essential to the promotion of economic growth in the APEC region. This challenge is not only for developing economies, but also for developed economies. We encourage all economies to invest in new, upgraded, or replacement infrastructure, in order to meet increased transportation needs.
13. In this regard, we take note of this year's proposal to develop a coordinated approach to promoting development, investment, and financing of well-designed, sustainable and resilient infrastructure within and between our economies through the creation of a multi-year plan to improve physical connectivity in Asia-Pacific.
14. We note that public-private cooperation and inter-governmental dialogue are important to ensure adequate, sustainable investments in, and maintenance and management of, transportation related projects.
15. We therefore instruct the TPTWG to explore opportunities for deepening cooperation including sharing experiences and best practices in transportation infrastructure investment, financing and operations, particularly with regard to public-private partnerships.

Pursuing "Quality Transport"

16. The remarkable economic growth in the APEC region requires a transportation network that can keep pace with development and meet the expectations of the business community and society more broadly. We reaffirm the importance of sharing information on advanced transportation systems; policy and regulatory measures; innovative technologies; and universal design concepts, notably as they pertain to accessibility. We will also continue efforts made to date on intelligent supply chain initiatives.
17. To this end, we direct the TPTWG to develop a "Quality Transport" vision, encompassing convenience, efficiency, safety, security, and sustainability as priorities, in cooperation with other relevant APEC fora.

Natural Disasters

18. We reaffirm the importance of preparedness, resilience and response to natural disasters within the APEC region. We will continue to learn from past experiences and to share best practices to protect supply chains and transportation infrastructure.

Capacity Building

19. Acknowledging the important role of capacity building in strengthening and supporting the trade and investment liberalization and facilitation agenda particularly in making progress in the transportation sector in the APEC region, we reaffirm the 2012 leaders' commitment to provide effective economic and technical cooperation.

20. With regard to transportation safety, security, efficiency, and environmental protection, we note the importance of the initiatives underway in ICAO, IMO, and other international organizations as well as the complementary work of the TPTWG through information sharing and capacity building projects. We instruct the TPTWG to collaborate with those international organizations where appropriate.
21. We endorse the capacity building work being undertaken to promote the implementation of the relevant international treaties.

Safety and Security

22. We encourage the TPTWG to work with stakeholders from all modes to improve the safety and security of operators, service providers and facilities.
23. We acknowledge the wide range of work that economies are undertaking on road safety and the prominence that the United Nations has accorded this major concern by progressing the Decade of Action for Road Safety, 2011-2020. We recognize the important work of the TPTWG in facilitating information sharing and collaboration between developed and developing economies on evidence-based road safety policy measures with identified targets, systems and technologies. We direct the TPTWG to continue this body of work. We also encourage the TPTWG to undertake further work on improving safety between road and rail users.
24. We encourage the TPTWG to maintain its collaboration with the International Working Group on Land Transport Security and to continue efforts to improve and promote best practices in the land transport security sector.
25. We encourage economies to as far as possible utilize the latest transport security technology and give a high priority to providing comprehensive training to transport security personnel to assist them in delivering an effective transport security system so as to minimize any security risks to transport within the Asia-Pacific region.

Combating Corruption and Illicit Trade across the Asia-Pacific Region

26. We condemn any use of the transportation system by human traffickers within and across our borders. The International Labor Organization estimates that globally, 20.9 million people are victims of forced labour, including people trafficked for sexual and other forms of labour exploitation. Given that our transportation networks could be exploited by traffickers seeking to move their victims, we direct the TPTWG to explore ways to increase watchfulness and deter and prevent human traffickers from using our transportation networks.

Vehicle Standards Harmonization

27. We urge member economies to participate in the harmonization work under agreements administered by the World Forum for Harmonization of Vehicle Standards (WP.29) of the United Nations Economic Commission for Europe (UNECE) aiming at the improvement of the safety and environmental performance of vehicles as well as greater economic integration through harmonized vehicle standards and technical requirements.

Women in Transportation

28. We applaud the TPTWG's work on the compendium of best practices for the inclusion of women in the transportation sector. We instruct the TPTWG to build on its progress to develop a framework for collection of data and sharing of resources that will enhance opportunities for women in transportation and enable the measurement of progress over time. We encourage each economy to continue voluntary efforts to support this important endeavor.

APEC Green Port Initiative

29. We support the continuing work of the APEC Port Services Network (APSN) on the Green Port Initiative in encouraging collaboration, communication and capacity building among ports and related maritime sectors in the region. We affirm the value of the Green Port Award System (GPAS) to enhance regional environmental awareness, share best practices, improve the overall performance, efficiency and sustainability of APEC ports and promote innovation for green growth. We encourage the APSN and all economies to continue to contribute to green port development.

APEC Travel Facilitation Initiative

30. We instruct the TPTWG to work with other APEC fora to facilitate the relevant elements of the APEC Travel Facilitation Initiative.

Conclusion

31. We reaffirm our commitment to contribute to the further development of the APEC region by continuing our cooperative activities within APEC, with other international and regional organizations, and with the private sector and other stakeholders.
32. Strong engagement and cross fora collaboration is needed to ensure that transportation in the APEC region is safe, secure, convenient, efficient, and sustainable. We recognize the complementary work within APEC in areas such as procedures related to trade and customs, business mobility, automotive industry, energy efficiency, tourism, and counter terrorism. We encourage the ongoing collaboration between the TPTWG and relevant APEC fora.
33. We instruct the TPTWG to continue its efforts with respect to the implementation of the objectives set out at the Special Transport Ministers' Meeting (STMM), TMM7, and previous Ministerial meetings.
34. We agree to meet again in the Philippines in 2015 to work towards the further advancement of the transportation sector in the APEC region.

Second APEC Meeting of Ministers Responsible for Forestry

Cusco, Peru
15 August 2013

CUSCO STATEMENT

We, the ministers and senior officials attending the Second APEC Meeting of Ministers Responsible for Forestry, held in Cusco, Peru on 14–16 August 2013:

Reaffirming the forestry goals outlined in the 2007 Sydney APEC Leaders' Declaration on Climate Change, Energy Security and Clean Development, such as increasing forest cover in the region by at least 20 million hectares of all types of forests by 2020 and establishing the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFnet) which has a very important and active role in sustainable forest management in the APEC region;

Recalling the commitment of the 2010 Yokohama APEC Leaders' Declaration to “enhance work on meeting the aspirational goal in the Sydney Declaration,...instruct our officials to take concrete steps toward this goal,...enhance our cooperation to address concerns with illegal logging and associated trade and promote sustainable forest management and rehabilitation.”;

Recalling also the commitment of the 2011 Honolulu APEC Leaders' Declaration to work to implement appropriate measures to prohibit trade in illegally harvested forest products and undertake additional activities in APEC to combat illegal logging and associated trade;

Building upon the Declaration of the 1st APEC Meeting of Ministers Responsible for Forestry in Beijing in 2011 to contribute to mitigating the effects of climate change through sustainable forest management, conservation and carbon stock enhancement to reach the goal of increasing forest cover in the region by at least 20 million hectares by 2020;

Recognizing the establishment of the APEC Experts Group on Illegal Logging and Associated Trade (EGILAT) in 2011, and commending its work over the past two years;

Welcoming the actions developed under EGILAT to enhance the promotion of trade of legally harvested forest products while recognizing the different realities of the economies;

Recognizing the 2012 Vladivostok APEC Leaders' Declaration with respect to the growing challenges to regional and global food security, the risks facing the world economy, and the unique role and contribution of forests to enhancing local and rural livelihoods of APEC members;

Recognizing the importance of existing forest related international organisations and other relevant regional and sub-regional mechanisms and encouraging cooperation, when appropriate, with these organisations to achieve forestry goals and sustainable forest management in APEC economies;

Recognizing the crucial role that forests play in APEC economies, not only as a source of services, but also as a means to provide livelihoods, meet different development needs and objectives, and address the daunting challenges related to green growth and sustainable development, we aspire to:

1. Maintain and further strengthen support to sustainable forest management, forest conservation and forest rehabilitation;
2. Advance the important contributions of forests to the emerging green economy including through research, innovation and demonstration in new wood-based and non-timber forest products, services and applications;
3. Promote policies, technologies and investments, for the well-being of all forest users, including indigenous people and local communities;

4. Strengthen private sector investment in sustainable forest management across the APEC region, along with access to better technology and markets, by promoting enabling policy environments that attract investors, including sound forest-related legislation, effective law enforcement and forest governance frameworks, market-based instruments such as certification, and social and environmental safeguards;
5. Recognize, where applicable, the key role of indigenous people and local communities and traditional knowledge in sustainable forest management, and promoting linkage of that knowledge with the management and planning of other economic sectors;
6. Recognize the importance of integrating concern for forests into the development of other sectors with a view to harmonizing economic development with sustainable forest management;
7. Enhance environmental education and improve access to forest-related information to support policymakers, communities, non-governmental organizations, and the private sector in their efforts to understand, manage, conserve, and monitor forests;
8. Encourage international and regional organizations, when appropriate, to support APEC economies to better assess and monitor the region's forest cover, forest biodiversity, and the role of forests and forest ecosystem services in the economic dynamism of the region;
9. Promote technical cooperation among APEC economies to share best practices, lessons learned and experiences in governance, especially institutional and legal frameworks, regulation and public policies to promote sustainable forest management at all levels;
10. Promote capacity building in sustainable forest management for all levels of governments of economies, the private sector, civil society organizations and local NGOs;
11. Encourage the development of local forest industries that generate employment and value-added products from sustainable sources, and explore approaches for strengthening their market competitiveness at the domestic and international levels;
12. Maintain and strengthen the efforts of APEC economies to combat illegal logging and associated trade including through relevant education programs, promote trade in legally harvested forest products, and support capacity building activities in member economies;
13. Recognize the important role of meetings of Ministers responsible for forestry to promote forestry cooperation among APEC economies and to encourage progress towards leader's statements with respect to sustainable forests, and invite member economies to offer to convene such meetings, when necessary;
14. Consider establishing mutually agreed policy partnership dialogues consistent with APEC procedures or other arrangements within the APEC framework, as appropriate, to address the implementation of APEC forest objectives, bearing in mind the need to streamline APEC's working structures;
15. Recognize the contributions of forest goods and ecosystem services to domestic economies and to rural and urban communities, and include these contributions in domestic accounting systems, development policies and plans at all levels, as appropriate;
16. Integrate sustainable forest management and conservation into member economies' development policies and strategies to maximize benefits from forests and minimize or avoid the negative impact of other sectors on forests; and
17. Engage as appropriate with other international organizations whose interests are in keeping with APEC's forestry goals.

2013 Meeting of APEC Ministers Responsible for Trade

Surabaya, Indonesia
20-21 April 2013

STATEMENT

1. We, APEC Ministers Responsible for Trade (MRT), met on 20-21 April 2013 in Surabaya, Indonesia under the chairmanship of H.E. Mr. Gita Irawan Wirjawan, Minister of Trade of the Republic of Indonesia.
2. We welcomed the participation in the meeting of the Deputy Director-General of the World Trade Organization (WTO) Mr. Alejandro Jara, the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC), the Association of Southeast Asian Nations (ASEAN), the APEC Secretariat, and the Member of the Board (Minister) Responsible for Trade of the Eurasian Economic Commission (EEC), Mr. Andrey Slepnev.
3. The tenuous global economic recovery has strained on economies, trade, investment and future prosperity. But history has shown that the Asia-Pacific region bounces back from challenges and has become stronger and more resilient.
4. It is only befitting that APEC's theme for 2013, "Resilient Asia-Pacific, Engine of Global Growth", becomes our call to action—towards a vision of an Asia-Pacific region that is stronger, more buoyant and more robust. And we are called upon to remain resilient and to fulfill our role as the engine of the world's economic growth.

The Global Economy: Looking for Long-term Global Growth Prospects

5. With significant policy actions, the global economy is on a recovery path and tail risks have greatly been diminished. Under this circumstance, the Asia-Pacific region continues to be emerging as the strategic and economic pivot of the world. Significant milestones have been reached through APEC. Through cooperation in trade and investment, APEC has allowed economies to capture the benefits of their comparative advantages, supply chains and markets. APEC economies have taken numerous concrete and bold trade and investment liberalisation measures unilaterally and collectively. Also, APEC economies are committed to further promoting structural reforms. The measures taken by APEC members have contributed significantly to the sustained economic growth in the region ever since.
6. But a number of challenges still lie ahead of us. Slow global economic growth, resulting in decreasing of global trade and investment, connectivity, education, natural disasters, health, poverty and environmental issues, including climate change, could impact our region's economic landscape. These challenges require collective solutions for the benefit of all our people.
7. We share a conviction that we need to be part of a better, more integrated, seamless Asia-Pacific: a regional space where shared responsibility drives our efforts at solving increasingly complex challenges and creating opportunities for a prosperous and stable future. We will strive to bolster our cooperation in order to effectively address challenges as they come and to tap economic potentials of the region. APEC needs to remain attuned to further opportunities to promote sustainable growth, improve living standards and reduce poverty.
8. As the basis of our discussions here in Surabaya, we shared the understanding of the current state of the global economy and considered the following specific efforts:

Continuing support for the multilateral trading system

9. We adopted separate statement for this purpose.

Continuing on Attaining the Bogor Goals

10. We reaffirm our commitment to attain the Bogor Goals of free and open trade and investment towards 2020. We reiterate our commitment to address remaining issues that will help APEC economies to achieve the Bogor Goals. This includes commitment to bridge and to identify the development gap and assist developing economies to achieve the Bogor Goals by 2020. We also encourage developed economies to take more concrete actions towards attaining Bogor Goals according to the outcomes of the Report on APEC's 2010 Economies' Progress towards the Bogor Goals.
11. We reaffirm the importance of APEC's meaningful contribution, intellectual inputs and leadership guiding the processes of FTA/RTA development in the Asia-Pacific region. We will continue to promote broader integration which includes trade and investment liberalization and facilitation in the APEC region. Taking note of various ongoing capacity building efforts within the framework of setting the stage for an eventual FTAAP, we agreed to report regularly to APEC and share information on developments related to FTA/RTA initiatives, including on the Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership with a view to promoting transparency of various FTA/RTA initiatives and analyzing the issue of openness and convergence within the APEC framework.
12. We strongly support APEC progress in implementation of the action plan framework on capacity building needs initiatives (CBNI).
13. We welcome the trade policy dialogue to discuss the economic impact ways to avoid the use of local content requirements in promoting economic growth and employment. We take note of the initiative to continue discussion among officials aimed at enhancing better understanding of the issues and formulating a way forward.
14. We reaffirm APEC Leaders' commitment in Vladivostok in 2012 to promote green growth and to seek practical, trade-enhancing solutions to address global environmental challenges, and their commitment in 2011 to reduce tariffs on environmental goods to 5 percent or less by the end of 2015, and we emphasize concrete actions to facilitate steady implementation of our Leaders' commitments. We are convinced that such liberalization will assist us in achieving the Bogor Goals and further contribute to our sustainable development and green growth goals. We further emphasize Leaders' instruction in Honolulu in 2011 to undertake capacity building activities relevant to implementing these actions, including exchanging views, experiences, and best practices to promote EGS trade and investment.
15. In view of APEC's priorities this year on "attaining the Bogor Goals" and "achieving sustainable growth with equity", we note the aspiration of some economies to further liberalize trade in goods, so as to address development needs, reduce poverty, and facilitate the involvement of SMEs in global supply chains, and that consensus should be built to advance this aspiration. We take note of Indonesia's proposal to include CPO and rubber in the APEC EGs List.
16. We welcome APEC's activities in the area of services trade liberalization and facilitation, including through expansion of the Services Trade Access Requirements (STAR) Database. We also welcome the ongoing practical, business-orientated work aimed at identifying good practice regulation of trade and investment in key services sectors.
17. We confirm the importance of improving the investment climate in the APEC region, including through continued implementation of the APEC Investment Facilitation Action Plan. We instruct officials to intensify efforts to address impediments to increased flows of investment in the region, including those relating to private financing of infrastructure. We welcome the Public-Private Dialogue on Corporate Social Responsibility (CSR) and encourage officials to work with the

private sector to build and improve upon CSR practices, including transparency.

18. With regard to the progress of the implementation of APEC New Strategy for Structural Reform (ANSSR), as endorsed by APEC Leaders in 2010 to promote more balanced, inclusive, and sustainable growth and development through targeting behind-the-border barriers to trade, we note the ongoing work of each APEC Economies to report their individual plans in the 2013 ANSSR Mid-Term Progress Report. We trust that the report would reflect the accomplishments of APEC economies, including their challenges in implementing their plans in structural reform towards the achievement of their objectives in 2015.
19. We applaud continuous efforts to implement our Leaders' Agreement in 2011 to strengthen by November 2013, the implementation of Good Regulatory Practices (GRP) initiative, particularly in the areas of ensuring internal coordination of regulatory work, assessing regulatory impact, and conducting public consultation. We support the activities that have been carried out to further this work on strengthening the implementation of the GRP including through capacity building activities and collaborative work with other fora/sub fora and international organizations. We encourage officials to further discuss how to strengthen the implementation of GRP beyond 2013, taking into consideration the circumstances of individual economies.
20. Industry Dialogues continue to enrich our agenda and provide concrete deliverables that contribute to attaining Bogor Goals. We welcome new work to develop principles for life sciences development; facilitate the commercialization of research; and initiatives to support the establishment of a Center of Excellence for regulatory sciences cooperation. We look forward to concrete deliverables to assure the quality and integrity of the medical products supply chain. We note the Chemical Dialogue's intention to deepen work on regulatory cooperation and convergence and welcome the status report on the implementation of GHS in the APEC region. We also welcome the work plan to advance regulatory cooperation and convergence in the food sector.
21. We reaffirm our commitment to promote effective and non-discriminatory innovation policy, including through developing and finalizing implementation practices by October 2013.

Achieving Sustainable Growth with Equity

22. We note the efforts made by APEC this year in the area of Small and Medium Enterprises (SMEs, including youth and women entrepreneurs). SMEs, including entrepreneurs and women, are crucial driving force for employment and development of the economy. To ensure that, SMEs, many of which are women-owned can participate in and benefit from international trade, we reaffirm the importance of addressing trade investment and regulatory barriers for SMEs, and support efforts to enhance SMEs' global competitiveness, business ethics, and their participation in Global Value Chains. We instruct officials to continue dedicating efforts and work in these areas.
23. Recognizing the importance of cross-border mechanisms to disseminate low-carbon technologies to achieve sustainable growth, we take note a Joint Crediting Mechanism Seminar to be held during SOM3.
24. We acknowledge that collaboration between government and private sector, particularly farmers, private investment and the agri-food trade are critical to achieving food security in the region. We welcome the focus of the Policy Partnership on Food Security (PPFS) in aligning farmers, the private sector and governments in the achievement of global food security through strategic partnership that comprises of constructive involvement of the private sector, farmers and government. We note the importance of not applying WTO-inconsistent trade measures in pursuing food security.
25. We instruct officials and encourage the private sector to continue pursuing this initiative and to develop a strategic, results-oriented and comprehensive 2020 Road Map to achieve the long-term goal of setting up a food security structure by 2020 sufficient to provide lasting food security to economies in the Asia-Pacific region. We underscore the importance of PPFS and Committee on

Trade and Investment (CTI) coordination on food security issues related to international trade and investment. We agree that agricultural trade plays a key role in achieving food security. To this end we reaffirm the value of an open and rules-based multilateral trading system as it provides predictability and stability in agricultural trade. We agreed on the need to sustain the benefits of globalization and open markets, highlighting the crucial importance of maintaining science-based standards, rejecting protectionism and encouraging the development of regionally integrated markets. We also welcome the efforts to increase agricultural production and productivity on a sustainable basis through boosting investment and actively adopting innovative technologies.

26. We recognize the continued efforts of the Food Safety Cooperation Forum (FSCF) and its Partnership Training Institute Network (PTIN) in developing food safety capacity in the region, contributing to the alignment of domestic regulations with international standards. This work is strengthening food supply chains in the region and providing new opportunities for trading in safe and quality food. We welcome the establishment of the Food Safety Incident Network (FSIN) which will enhance our capacity to deal with food safety events in the region.
27. We welcome the successful launch of the Policy Partnership on Science, Technology and Innovation (PPSTI). We instruct officials to finalize the institutional building process and identify the structure of PPSTI's key priority work areas by AMM in October 2013. Recognizing the importance of science and technology cooperation in fostering innovative growth by continuing to identify practices to promote effective, non-discriminatory and inclusive innovation policy, we instruct officials to take concrete steps in the PPSTI to enhance cooperation among key innovation stakeholders – government, academia, and businesses.
28. Recognizing the increasing role of the oceans and fisheries in our daily livelihood and their contribution to economic growth, we welcome the initiatives and activities promoting the mainstreaming of ocean-related issues in APEC in various areas of cooperation, including through existing regional initiatives such as the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security ranging from, among others, exchanging best practices in combating Illegal, Unreported and Unregulated (IUU) fishing to food security, sustainable fisheries management and trade, including trade in sustainably harvested fisheries products and aquaculture, energy, tourism, science and technology, transportation and marine connectivity in achieving sustainable and inclusive growth.
29. We are also mindful that healthy oceans are crucial for achieving sustainable ocean and marine resources and therefore we encourage officials to continue working on ways to address challenges in this area.
30. We take note Indonesia's initiative to develop an APEC Ocean-related Activities Work Plan for 2013 that promotes cross-fora collaboration and will be circulated after SOM 2 for further discussion at SOM 3. The work plan would be essential to propose and implement concrete activities, initiatives and capacity building projects on the mainstreaming of ocean-related issues in APEC.
31. We recognize there is a clear and important role for APEC member economies to show leadership towards rationalizing and phasing out inefficient fossil fuel subsidies that encourage wasteful consumption, fulfilling the commitment in reducing fossil fuel energy consumption as outlined in the 2011 Leaders' Declaration. In this respect, we note Indonesia's initiative to hold a Conference on Clean, Renewable, and Sustainability in the Asia Pacific prior to the AELM, which focuses on boosting investments in the renewable energy sector; capacity building and technical cooperation; and fostering cooperation among APEC member economies and with private sector partners in clean and renewable energy development projects.

Promoting Connectivity

32. We are committed to working towards a more connected and resilient Asia-Pacific to ease the flow of goods, services, capital, and people in the region. Greater physical, institutional and people-to-people connectivity will strengthen regional economic integration, contribute to

economic growth as well as being a significant factor towards enhanced trade.

33. We instruct Senior Officials to develop a unifying, forward-looking, and ambitious APEC Framework on Connectivity this year to deepen and broaden the region's connectivity around and across the Pacific Ocean and within APEC's archipelagic and continental regions.
34. The Framework will also bring greater coherence, and add impetus to ongoing connectivity-related work in APEC, including physical infrastructure, the Supply Chain Connectivity Framework, trade facilitation, structural reform and good regulatory practices, the cross-border education initiative, science and technology, as well as the movement of people, which may include tourists, business people, professionals and workers, women and youth.
35. A key pillar of the connectivity framework is the development of physical infrastructure. We are committed to facilitating growth in our region through infrastructure development and investment, in line with the five growth attributes of the 2010 APEC Leaders' Growth Strategy: Balanced, Inclusive, Sustainable, Innovative, and Secure Growth.
36. Well-designed, sustainable and resilient infrastructure development and investment can enhance economic growth and increase productivity, and provide significant positive flow-on effects including improved access to markets, job creation and manufacturing growth.
37. APEC economies need to develop and to improve existing transport, information and communications, energy and other physical infrastructure to deepen regional economic integration and help ensuring sustained growth. Given the scale of infrastructure requirements across a number of sectors in our region over the next decade and beyond, we emphasize the importance of private sector involvement to realize these needs.
38. We recognize the importance of developing a coordinated approach to promoting infrastructure development and investment within and between our economies through the creation of a multi-year plan to improve physical connectivity in Asia-Pacific. We emphasize the importance of building capacity to design, develop and execute public private partnerships. We also urge economies to emulate, adapt and link best practices and models existing in the region and create value added to those work building on APEC strengths and sub-regional linkages.
39. We request officials to develop an overarching framework that outline work streams and key areas of focus and establish practical and concrete ways to overcome current impediments to infrastructure investment and development. We recognize that the work streams that flow from it will complement the important work in this area being undertaken in the G20 and other fora.
40. To improve physical connectivity, we suggest that the Transportation Ministers produce a concrete outcome with a view to promoting more sustainable and resilient transportation related infrastructure in the coming 8th TMM in Tokyo.
41. We also reaffirm the growing importance of submarine cables to regional and global connectivity, and encourage increased awareness and continued cooperation within APEC.
42. We support continued work on the APEC Supply-Chain Connectivity Framework Action Plans towards achieving our shared commitment of a 10 percent improvement in supply chain performance in terms of reduction in time, cost, and uncertainty of moving goods and services through the Asia-Pacific region by 2015, taking into consideration circumstances of individual economies. We welcome the interim assessment of the Supply Chain Connectivity Framework Action Plan undertaken by APEC's Policy Support Unit that shows some progress has been made in the overall performance of supply chain transactions. In this regard, we reiterate the importance of further simplification of customs procedures in line with the international standards such as ones developed by the World Custom Organization (WCO). We look forward to the multi-year project on Enhancing Logistic Performance through Training and Networking for APEC Local/Regional Logistics Sub-providers.

43. We note the progress made to adopt a more systematic approach to reaching our supply chain performance target through needs analysis and capacity building, and to this end, we request officials to inject new momentum to their work in addressing existing chokepoints in supply chains, to ensure we are able to fulfill our ambitious APEC-wide 2015 supply chain performance target, in particular to facilitate SMEs participation in global trade.
44. We share the importance to enhance value chain resilience, and to advance work to establish more interconnected and resilient APEC region. We emphasize the importance of work on improving reliability of supply chains connectivity through effective risk management and response.
45. We reaffirm the importance of enhancing the emergency preparedness and disaster resiliency of APEC economies, communities and businesses. In this context, we stress the need for cooperation between crisis management centers within the APEC framework. We also welcome the efforts on elaboration and consideration of the APEC Emergency Response Travel Facilitation Initiative to explore the opportunities to build a more safe and secure APEC Region.
46. We agree that deeper education cooperation will serve to strengthen regional ties, build people-to-people links and promote economic development through knowledge and skills transfer.
47. We are committed to implement the 2012 Leaders' instruction on promoting cross border education cooperation by developing on a voluntary basis cross-border cooperation and facilitation of exchange in education services within APEC in enhancing the mobility of students, researchers, education providers, and the existing network of bilateral agreements.
48. We welcome APEC's work in developing a work plan on promoting cross border education cooperation and instruct officials to advance the work to enhance the mobility of students, researchers, and education providers in the APEC region on a voluntary basis, while taking into consideration the circumstances of individual economies.
49. We welcome the continued enhancement of the APEC Business Travel Card Scheme to further facilitate the mobility of business people in the region and promote people-to-people connectivity.

Strengthening APEC

50. We are fully committed to maintaining APEC's profile as the premier forum for advancing free and open trade and investment in the Asia-Pacific. Enhanced business engagement in APEC is important in achieving APEC's goals. We welcome ABAC's close collaboration with and contribution to APEC's work. We note the significant value that public-private activities have made to APEC work, and instruct officials to find ways to increase these interactions with ABAC and other stakeholders, including ways to synergize work and work programs.
51. Recognizing the vital role of capacity building in strengthening and supporting the trade and investment liberalization and facilitation agenda, we reaffirmed the Leaders' commitment to the implementation of Economic and Technical Cooperation (ECOTECH). We instructed officials to evaluate the effectiveness of capacity building activities across APEC and to identify ways to ensure these activities deliver more meaningful, targeted and effective results, particularly for developing APEC economies.

Towards Bali

52. We welcome the report of the Chair of the APEC Senior Officials' Meeting (SOM) on the progress of APEC work. We encourage Senior Officials to continue their efforts by building upon our discussion in Surabaya and to bring forward meaningful deliverables by the time we meet again for the APEC Ministerial Meeting (AMM) in October. We will make the AMM in Bali an occasion to explore the future of a more resilient Asia-Pacific and submit recommendations to Leaders.

2013 Meeting of APEC Ministers Responsible for Trade

Surabaya, Indonesia
20-21 April 2013

STATEMENT ON SUPPORTING THE MULTILATERAL TRADING SYSTEM AND WTO 9TH MINISTERIAL CONFERENCE

1. We, the APEC Ministers responsible for trade, gathering for our 19th meeting in Surabaya, Indonesia, on 20 – 21 April 2013, recognize the importance of international trade as the engine of growth, job creation and source of development. Thus, we reaffirm our commitment to strengthen a rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system and reiterate the value and centrality of this system as embodied in the WTO.
2. We recognize the emerging opportunities and challenges in the global trading environment. International trade patterns have undergone changes and are now dominated by the rise of global value chains. This development presents an important avenue for trade, growth and diversification. However, the global economy is still in the tailwinds of the crisis, despite the modest rebound of trade growth in the first quarter of 2013. The determination to resist inward looking policies continues to faltering in some countries. This prevents effective participation in international trade and contributes to global economic challenges. To this end, the role played by the WTO is crucial.
3. We reaffirm the pledge made by our leaders in Honolulu 2011 and Vladivostok 2012 against protectionism through a standstill which we recommend that they extend through the end of 2016 and rollback of protectionist and trade-distorting measures. We remain committed to exercising maximum restraint in implementing measures that may be considered to be consistent with WTO provisions but have a significant protectionist effect and promptly rectify such measures, where implemented. We support the work of the WTO and other international organizations in monitoring protectionism and encourage them to continue and strengthen their work.
4. As noted by Ministers at MC8, the Doha Round is at an impasse. However, since that time, and in line with MC8 political guidance, APEC economies, along with other WTO members, have been fully exploring different negotiating approaches while respecting the principles of transparency and inclusiveness.
5. There is broad convergence of view that the negotiation as it stands now is not on course to lead to a successful outcome at MC9 on 3 – 6 December 2013 in Bali. We are deeply concerned about the state of play in the negotiations and we call on WTO Members to change the quality and level of engagement in order to expeditiously and effectively advance our work. We encourage all Members, particularly major players, to work hard to bridge the gap in coming months, recognizing that the continued viability of the WTO's negotiating function is at serious risk. With the APEC economies representing more than half of world's GDP and 44 percent of world trade, we accept our responsibility to make significant contribution to securing tangible results at MC9.
6. We share the objective that the Bali package should encompass a trade facilitation agreement and agreement on some elements of agriculture and development, including issues of interest to LDCs. We are committed to promoting progress in the negotiations on these issues. We commit ourselves to showing the political will and flexibility necessary to achieve convergence by MC9 and urge other Members to do the same. We are committed to better facilitating the negotiation process to guide us towards a balanced and meaningful outcome of MC9 for all Members.
7. A successful outcome at MC9 would be a stepping stone to future progress on other areas covered by the DDA negotiations and so would provide new confidence in the multilateral trading system. Achieving that outcome must be the priority of Members' work this year, but it cannot be the end. We reaffirm our commitment to build on the Bali package to achieve the full conclusion of the DDA and to continue the negotiation to address the remaining DDA issues post-Bali. In doing so, we will continue to respect the Doha mandate and its development dimension.

8. We reaffirm the importance of the effective integration of developing economies into global trade. In this respect, we welcome the 4th Global review of Aid for Trade which will take place on 8-10 July 2013 focusing on the participation of developing countries and LDCs in global and regional value chains and the challenges they face. In this respect, we welcome initiatives to provide technical assistance and capacity building activities, including in the APEC region, to allow Members to reap the benefits from global and regional value chains and better integrate into the multilateral trading system.
9. Building on the progress to date, APEC Ministers Responsible for Trade call on ITA participants to swiftly conclude negotiations to expand the product coverage of the WTO ITA by the middle of the year and seek expanded membership of the ITA. A final ITA expansion outcome should be commercially significant, credible, pragmatic, balanced, and reflective of the dynamic technological developments in the information technology sector over the last 16 years. Such an outcome would support several APEC objectives, including strengthening the multilateral trading system, promoting connectivity, supporting regional economic integration, and driving economic development throughout APEC economies.

Abbreviations and Acronyms

ABAC	APEC Business Advisory Council
ACT	Anti-Corruption and Transparency Working Group
ACT-NET	APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies
AELM	APEC Economic Leaders Meeting
AMM	APEC Ministerial Meeting
ANSSR	APEC New Strategy for Structural Reform
APEC	Asia-Pacific Economic Cooperation
APFF	Asia-Pacific Financial Forum
APFnet	Asia-Pacific Network for Sustainable Forest Management and Rehabilitation
APIP	Asia-Pacific Infrastructure Partnership
APIP	Asia-Pacific Infrastructure Partnership
APSN	APEC Port Services Network
ARCAM	APEC Regulatory Cooperation Advancement Mechanism
ASEAN	Association of Southeast Asian Nations
BMG	Business Mobility Group
CBNI	Capacity-building Needs Initiative
CBPR	Cross Border Privacy Rules
CSR	Corporate Social Responsibility
CTI	Committee on Trade and Investment
DDA	Doha Development Agenda
EC	Economic Committee
ECOTECH	Economic and Technical Cooperation
EGILAT	Experts Group on Illegal Logging and Associated Trade
EGs	Environmental Goods
EoDB	Ease of Doing Business
ERTF	Emergency Response Travel Facilitation
EWG	Energy Working Group
FRTI	Financial Regulators Training Initiative
FSCF	Food Safety Cooperation Forum
FTA/RTA	Free Trade Agreement/Regional Trade Agreement
FTAAP	Free Trade Area of the Asia-Pacific
GDP	gross domestic product
GHS	Global Harmonized System of classification and labeling of chemicals
GIT	GNSS Implementation Team
GNSS	Global Navigation Satellite System
GPAS	Green Port Award System
GRP	Good Regulatory Practices
HIV	Human immunodeficiency virus
HLM	APEC High Level Meeting on Health and the Economy

HRDMM	Human Resources Development Ministerial Meeting
HWG	Health Working Group
ICT	Information and communication technology
IEG	Investment Experts' Group
IFAP	Investment Facilitation Action Plan
ITA	Information Technology Agreement
LSIF	Life Sciences Innovation Forum
MC9	9th Ministerial Conference on WTO
MEs	Micro Enterprises
MRT	Ministers Responsible for Trade
MSG	Melanesian Spearhead Group
MYPIDI	Multi-Year Plan On Infrastructure Development and Investment
NTMs	non-tariff measures
OECD	Organisation for Economic Cooperation and Development
OVOP	One Village One Product
PECC	Pacific Economic Cooperation Council
PIF	Pacific Islands Forum , and representative of the
PPEGS	Public Private Partnership on Environmental Goods and Services
PPP	Public Private Partnership
PPSTI	Policy Partnership on Science, Technology and Innovation
PPWE	Policy Partnership on Women and the Economy
PSU	Policy Support Unit
PTIN	Partnership Training Institute Network
REI	Regional Economic Integration
SCCP	Sub-Committee on Customs and Procedures
SCE	SOM Steering Committee on ECOTECH
SCFAP	Supply Chain Framework Action Plan
SFOM	Senior Finance Officials' Meeting
SME	Small and Medium Enterprises
SOM	Senior Officials' Meeting
STAR	Services Trade Access Requirements
STEM	science, technology, engineering, and mathematics
STMM	Special Transport Ministers' Meeting
TCAM	Traditional and Complementary Alternative Medicines
TPTWG	Transportation Working Group
WCO	World Custom Organization
WHO	World Health Organization
WTO	World Trade Organization