

MARKET ACCESS GROUP (MAG)

CONVENORS REPORT AND INPUTS FOR 2020 CTI ANNUAL REPORT TO MINISTERS

Key Achievements in 2020

- MAG continued to monitor the implementation of the Environmental Goods List (EGL). An updated stocktake was presented in MAG 1 2020 in Putrajaya, Malaysia, and shared to CTI1 2020. Chile, Indonesia and Thailand had been working towards full implementation of the commitment to reduce tariffs to 5% for all products on the EGL. It was noted that the COVID-19 pandemic led to delays in implementation, however, all three economies will endeavour to meet EGL objectives. In particular, Indonesia advised that tariffs for all products on the EGL will meet the five per cent tariff from 1 January 2021.
- MAG received updates on the Table Monitoring the implementation of the WTO Trade Facilitation Agreement (TFA) and noted all APEC economies had submitted notifications to the WTO definitive dates for the implementation of the Category B & C commitments of the WTO TFA.
- MAG continued to keep the information on the APEC Trade Repository (APEC TR) up-to-date to improve transparency and facilitate trade. MAG further utilised the APEC TR by including the Timber Legality Guidance Templates (TLGTs) in the platform as requested by the Experts Group on Illegal Logging and Associated Trade (EGILAT). Additionally, the updated results of the Survey on Implementation of Articles 3.6 & 3.8 of the WTO TFA and the DESG's APEC Survey on E-Commerce Regulations were also incorporated into the APEC TR.
- MAG endorsed in September 2020 the self-funded project on "Study: Trade of Remanufactured Goods in APEC" submitted by the United States. The project aims to reflect the best practices of domestic policies related to remanufactured goods, specifically related to medical machinery to enable economies to identify policies that advance investment and trade opportunities. A policy dialogue could possibly be organised in 2021 as a follow-up activity and technical assistance might be provided.

Work Undertaken by the Fora in Response to COVID-19 (if applicable)

- The United States is implementing the self-funded project "Study: Trade of Remanufactured Goods in APEC", which focuses on medical machinery, that could help to address shortages of medical machinery related to the COVID-19 pandemic. The study will also identify possible benefits to trade remanufactured goods in the region with a specific focus on healthcare goods in the region.

Key Issues Under Discussion by the Fora

- WTO TFA
 - Implementation and notifications of acceptance to the WTO TFA: As of February 2020, all APEC economies had submitted notifications to the WTO regarding the definitive dates for the implementation of the Category B & C commitments of the TFA. By October 2020, two additional economies submitted updates on the contact point. The updated table will be included in the CTI Chair report to AMM.

- Capacity Building and Technical Assistance to Implement Programs related to WTO Trade Facilitation Agreement Articles 1, 3 & 8:
 - a) The United States is working on capacity building with Peru regarding Article 1, Publication and Availability of Information. The project was launched in 2019 and will provide technical assistance and training for the publication of trade-related information.
 - b) As part of the work on Article 3 (Advance Rulings), Phase III was launched in 2019. The United States hosted a workshop on Advanced Rulings Best Practices on 5 February 2020 in Putrajaya, Malaysia to discuss economies' implementation of advance rulings and to identify overlaps and differences in their systems. The findings from the workshop will allow the identification of eligible economies to receive targeted technical assistance.
 - c) The United States submitted a Project Proposal for Capacity Building and Technical Assistance to Implement Programs Related to WTO TFA Article 8 (Border Agency Cooperation) that was endorsed on 9 June 2020 by the CTI. Seven APEC economies had notified WTO TFA Article 8 as category B or C, signalling the need for technical assistance and training. Potential voluntary economies have been contacted for this purpose. A related workshop will be held on the margins of SOM1 2021.
- **MAG Work on Tariffs**
 - WTO Information Technology Agreement (ITA) Expansion: MAG members shared views on the benefits of joining the ITA Expansion. Participating economies encouraged those that are not part of the ITA Expansion to join.
 - Implementation of the APEC EGL: As of November 2020, Chile, Indonesia and Thailand were working towards full implementation of their commitments.
 - a) Indonesia informed that according to a regulation from the Ministry of Finance, all products in the EGL would meet the target of 5% tariff on 1 January 2021.
 - b) Thailand mentioned the remaining EGL commitments were being studied and noted the process had been delayed internally due to the COVID-19 pandemic.
 - c) Chile informed that a bill to implement the EGL commitments was still under legislative process, which had been affected by the COVID-19 pandemic and expressed the commitment to fully meet the EGL objectives.
- **Support for Regional Economic Integration (REI)**
 - APEC Trade Repository (APEC TR): The Philippines provided updates on the usage of the APEC TR and noted a slight decrease in the number of users, sessions and page views between 2 January and 15 July 2020 compared to the same period of time in 2019. When comparing the results between 2 January and 31 October, there was however an increase in all elements. Still, the number of sessions shows a slight decrease in engagement and traffic.
 - Non-Tariff Measures (NTMs): The Public Private Dialogue (PPD) on Understanding NTMs in Agriculture, Forestry and Fisheries Sectors to Enhance Trade and Poverty Alleviation in the Asia-Pacific Region organised by Indonesia was held on 1-2 October 2020. 11 economies attended the event as well as APEC fora members and relevant stakeholders. The study report noted that APEC economies apply one or more NTMs for half of number of products traded; even though the percentage of the number of products affected by NTMs are only half the total number of products, it will contribute significantly to the trade impact; in all APEC economies the agricultural sector has the highest number of NTMs in comparison to the Forestry and Fisheries sectors; and there is a need to further streamlining NTMs implementation.

- Rules of Origin (ROO): The last informal group discussion was held in SOM1 2020 and no other meeting has been organised since then. As reported on “items for noting” in the CTI context, Singapore was assessing the next steps with a view to adding value through this process to the practices that are already in place in different trade agreements.
- Supply Chain Framework Action Plan Phase II (SCFAP II): The PSU accepted in July 2020 to undertake the final review of the APEC Supply-Chain Connectivity Framework Action Plan 2017-2020 (SCFAP-II), which would look into the 5 chokepoints. PSU work would commence the Final Review in 2021 based on the agreed external indicators. Phase III might be discussed further in 2021.
- **Strengthening Comprehensive connectivity and Infrastructure Development to Support for Regional Economic Integration (REI)**
 - APEC’s Implementation of the Boracay Action Agenda: The Global MSME Forum had been postponed indefinitely due to the COVID-19 pandemic and the Philippines would inform possible new dates for the Forum in the future. The Philippines also finalised the Consolidated 2016-2020 BAA Stocktake, which would be included in the Final Review of the BAA study report. The work for Final Review of the Boracay Action Agenda started in July 2020 and the Consolidated 2016-2020 BAA Stocktake would be tabled at the upcoming CSOM.
 - APEC Alliance for Supply Chain Connectivity (A2C2): The terms of reference of the A2C2 were extended for three years at the Virtual CTI2 Meeting to bring together regional stakeholders to discuss potential regional solutions. The 11th Meeting of the A2C2 was held on 29 October 2020 to discuss reinventing supply chains in a post COVID-19 world, APEC supply chain capacity building and company innovations during COVID-19, and lasting impacts of COVID-19 with a focus on the importance of regulatory convergence.
 - APEC Pathfinder for Self-Certification of Origin: MAG members shared views on the APEC Pathfinder for Self-Certification of Origin and economies were encouraged to join. It was noted that different APEC economies already implemented self-certification of origin under FTAs.
 - APEC Pathfinder on Facilitating Trade in Remanufactured Products: MAG members shared views and benefits of the Pathfinder while the US reported that it was undertaking a self-funded project “Study: Trade of Remanufactured Goods in APEC” which focuses on medical machinery. Possible follow-up activities might include technical assistance and a policy dialogue in 2021.

Items to submit to Senior Officials or Ministers/Leaders at the end of 2020 (if applicable)

N/A