



Asia-Pacific
Economic Cooperation

Advancing Free Trade
for Asia-Pacific Prosperity

APEC Committee on Trade and Investment

Annual Report to Ministers





**Asia-Pacific
Economic Cooperation**

**2016
ANNUAL REPORT TO MINISTERS**

COMMITTEE ON TRADE AND INVESTMENT

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Dear Ministers,

I am honored to present to you the APEC Committee on Trade and Investment's (CTI) 2016 Annual Report for your review and endorsement. The report contains an overview of CTI's work this year along with a series of recommendations to advance the Committee's work program.

In accordance with the directions provided by Leaders and Ministers in Manila in November 2015 and framed by the 2016 theme of "Quality Growth and Human Development", CTI's and sub-fora's work continued in pursuit of the Bogor Goals of free and open trade and investment as well as the overarching APEC goal of regional economic integration. Our 2016 key priorities remained unchanged from last year, to wit: providing support for the multilateral trading system; advancing regional economic integration; enhancing connectivity; promoting regulatory cooperation; and providing contributions to the overarching goals of quality and inclusive growth by Leaders and Ministers.

Looking back from the start of the year, there has been a strong commitment from members to push initiatives that cement APEC's incubator role in trade and investment. Trade facilitation, with its potential to produce positive returns for all members, was a big focus by the CTI and a second phase of the Supply Chain Connectivity Framework Action Plan or SCFAP was prepared by the Committee to target the costs and reliability of supply chains. Capacity building projects were delivered to help in the implementation of the first SCFAP and to support the implementation of the WTO Trade Facilitation Agreement. We hope Ministers will endorse the second phase of SCFAP as a reaffirmation of APEC's commitment to facilitate and reduce barriers to doing business.

CTI has always been in the forefront in discussing ways to build a seamless regional community through our cooperative efforts in trade and investment. Yet, the APEC Policy Support Unit reported in the Second-Term Review of APEC's Progress Towards the Bogor Goals (APEC, 2016) that despite major accomplishments, barriers to trade and investment remain in both developed and developing economies, hindering the free flow of goods, services and people among APEC economies. The review also noted that among APEC economies, an important share of trade and a good number of trade liberalization efforts are taking place in FTAs.

Against this backdrop, another key consideration this year is the Collective Strategic Study on the Issues related to the Realization of the Free Trade Area of the Asia Pacific (FTAAP). Together with the Second Term Review, the study highlighted the accomplishments of APEC, the opportunities and challenges that the FTAAP presents, and the future work that needs to be undertaken to achieve a seamless community.

CTI also provided support to Senior Officials in drafting the Services Competitiveness Roadmap to pave the way for more efficient and competitive services sectors. The roadmap underscores that APEC's spirit of cooperation plays a role but there are no substitutes for the individual actions by economies. This suggests that arrangements for economic and technical cooperation should continue in bringing economies closer to all of APEC's goals and to more open economies in all fronts – foremost, through efforts that encourage unilateral actions and secondly, with collective actions.

CTI worked on several collective actions and in collaboration among officials, business and the academia as can be gleaned from the report. Meaningful initiatives were completed and agreed on by members on customs procedures, intellectual property, standards and conformance, cross-border privacy, global value chain development, micro and SME integration and internationalization, services liberalization and facilitation, measurement of trade in value-added, digital trade, self-regulation in advertising standards, green supply chains, cross-border privacy and cooperation in trade-related issues in the chemical and life sciences sector.

One example of collaboration was the Joint Economic Committee and CTI Dialogue on Services. CTI also worked with the APEC Business Advisory Council on the FTAAP collective strategic study and services roadmap. On the latter, CTI consulted with the Asia-Pacific Services Coalition.

On behalf of the Committee, I am grateful to Peru for its warm hospitality and excellent arrangements without which our work will not be completed this year. I wish to highlight the contributions of all the leads of the CTI Friends of the Chair as well as the CTI sub-fora convenors and industry dialogue chairs for their hard work and leadership to further advance our work program. I also wish to thank the CTI program director, Joji Koike, and his colleagues from the APEC Secretariat for their constant support of the CTI and CTI sub-fora. Lastly, I would like to recognize the APEC Policy Support Unit's useful contributions in making our work and discussions more meaningful through their research and analysis.

With the continued global trade slowdown, we hope you will continue to support CTI's commitment and cooperation to maintain open economies and build a seamless community. We hope that our work will remain as a strong cover against the pushback on trade and globalization going around many APEC economies and countries around the world.

CTI looks forward to your guidance and instructions.

Sincerely,



Marie Sherylyn Deleña Aquia
Chair, APEC Committee on Trade and Investment

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Recommendations

CTI recommends that Ministers **endorse**:

- CTI's 2016 Annual Report;
- *Progressing WTO Ministers Decision to Eliminate Export Subsidies (see Appendix 1)*;
- *Final Report on the Second-Term Review of the Bogor Goals* with key highlights on members' main achievements and remaining areas for improvement, including the dashboards to complement the brief reports (see Appendices 2, 3, and 4);
- *Addressing Barriers to Trade and Investment in the Context of Global Value Chains: Increasing Transparency of Measures Affecting Exports - Scope and Reporting Method (see Appendix 5)*;
- *The APEC Model Wine Certificate*¹;
- *Pathfinder on Permanent Customs Duty Moratorium on Electronic Transmissions, Including Content Transmitted Electronically (Appendix 26)*;
- *Collective Strategic Study on Issues Related to the Realization of the FTAAP (see Appendix 6)*;
- *Executive Summary of the Collective Strategic Study on Issues Related to the Realization of the FTAAP (see Appendix 7)*;
- *Recommendations accompanying the Collective Strategic Study on Issues Related to the Realization of the FTAAP (see Appendix 8)*;
- *APEC Developing Economies' Better Participation in Global Value Chains (Phase I)*²: *Current Status, Concerns and Challenges and (Phase II)*³: *Implication and Suggestion*;
- *Next Steps for Advancing Work on Digital Trade in 2017 (see Appendix 9)*;
- *Promoting SMEs' Integration into Global Value Chains in Major Industries - Comprehensive Policy Report (see Appendix 10)*;
- *SMEs' Integration into Global Value Chains in Services Industries*⁴ and Terms of Reference (ToR)⁵;
- *Promoting e-Commerce to Globalize MSMEs to support the Boracay Action Agenda and ToR (see Appendices 11 and 12)*;
- *Supporting Industry Initiative*⁶;

¹ 2016/SOM2/025anx15

²2016/SOM2/025anx08

³2016/SOM3/027anx08

⁴2016/SOM2/CTI/019

⁵2016/SOM2/CTI/016rev1

⁶2016/SOM2/CTI/024

- *Compendium on Methodologies for SMEs Internationalization (see Appendix 13);*
- *Developing a Set of Non-Binding Principles for Domestic Regulation of the Services Sector (see Appendix 14);*
- *Single Window Systems' (SWS) International Interoperability⁷ and ToR⁸;*
- *Suggested Framework for Phase Two of the Supply-Chain Connectivity Framework Action Plan 2017-2020 (SCFAP Phase II) (see Appendix 15);*
- *Study on Infrastructure Investment in the APEC Region (see Appendix 16);*
- *Best Practices in Trade Secret Protection and Enforcement Against Misappropriation⁹; and*
- *Updates to the APEC Privacy Framework (see Appendix 17);*

Welcome:

- Progress of APEC economies in notifying acceptance of the WTO Agreement on Trade Facilitation (TFA) (see Appendix 18);
- Progress in advancing the work on non-tariff measures (NTMs), including the *Workshop on Import and Export Licensing Regimes*, information sharing on NTMs in the energy sector;
- The *APEC Trade Repository – Recommendations for Next Steps*¹⁰;
- Progress in implementing actions under the Beijing Roadmap for APEC's contribution to the Realization of the FTAAP, including a suite of activities under the 2nd Regional Economic Integration (REI) Capacity Building Needs Initiative (CBNI) 2015-17, and information sharing through trade policy dialogue on APEC economy RTAs/FTAs and report by the PSU on Trends and Developments in Provisions and Outcomes of RTA/FTAs Implemented in 2015 by APEC Economies (see link: http://publications.apec.org/publication-detail.php?pub_id=1757) under the RTAs/FTAs Information Sharing Mechanism;
- Progress in implementing the APEC Strategic Blueprint for Promoting Global Value Chains (GVCs) Development and Cooperation, including the *2017-2018 Work Plan for the APEC Technical Group on Measurement on Trade in Value-Added (TiVA) under GVCs* and the *2016 Progress Report on APEC Measurement on TiVA under GVCs* to establish TiVA statistics in APEC by 2018 (see Appendices 24 and 25); holding a series of workshops on promoting the participation of MSMEs to GVCs; convening a series of public-private dialogues on improving the investment climate for GVCs development; holding a capacity building seminar on enhancing resilience of GVCs to

⁷2016/SOM2/CTI/041

⁸2016/SOM3/CTI/043

⁹2016/SOM3/CTI/051

¹⁰2016/SOM2/025anx05

natural disasters; and holding the *Public-Private Dialogue on Enhancement of Integration of Regional Value Chains in Asia and Latin America and the Caribbean (LAC)*;

- *The Research on Promoting SME Participation in Global Value Chains - ICT/Electronics (see Appendix 19)*;
- *The Compilation on Good Practices on Enhancing Resilience of Global Value Chains to Natural Disasters*¹¹;
- Progress in implementing the Manufacturing Related Services Action Plan, including the *Implementation and Review Mechanism of the Manufacturing Related Services Action Plan*¹²;
- Progress in implementing the *Work Plan for Advancing Facilitating Digital Trade for Inclusive Growth As a Potential Next Generation Trade and Investment Issue*, including two trade policy dialogues held on digital trade and an ongoing study on digital trade conducted by PSU;
- Progress of APEC economies in implementing the 2012 Leaders' commitment to reduce applied tariffs to five per cent or less by the end of 2015 on the APEC List of Environmental Goods (see *Appendix 20*);
- Progress in implementing the Environmental Services Action Plan, including the survey of regulatory measures in environmental services conducted by the PSU (see link: http://publications.apec.org/publication-detail.php?pub_id=1769);
- Progress in implementing three priority themes of the Investment Facilitation Action Plan (IFAP), namely E-transparency, Reducing Investor Risk, and Simplifying Business Regulation;
- Report by the PSU on the Final Assessment of the Supply Chain Connectivity Framework Action Plan 2010-2015 (SCFAP) (see link: http://publications.apec.org/publication-detail.php?pub_id=1771);
- Progress made in implementing the Boracay Action Agenda to Globalize MSMEs including the stocktake of activities in CTI and its sub-fora during 2016;
- Progress made in the implementation of projects which facilitates the utilization of intellectual property rights by MSMEs;
- Progress in implementing the Leaders' instruction in 2015 to increase the number of APEC economies with indices for measuring the regulatory environment in services, including the *Capacity Building Workshop on Measuring the Regulatory Environment in Services Trade of APEC*;
- Progress made in implementing actions under the Capacity Building Plan to improve Supply Chain Performance, including progress in conducting the targeted capacity building projects on

¹¹ 2016/SOM2/CTI/020

¹² 2016/SOM2/CTI/026

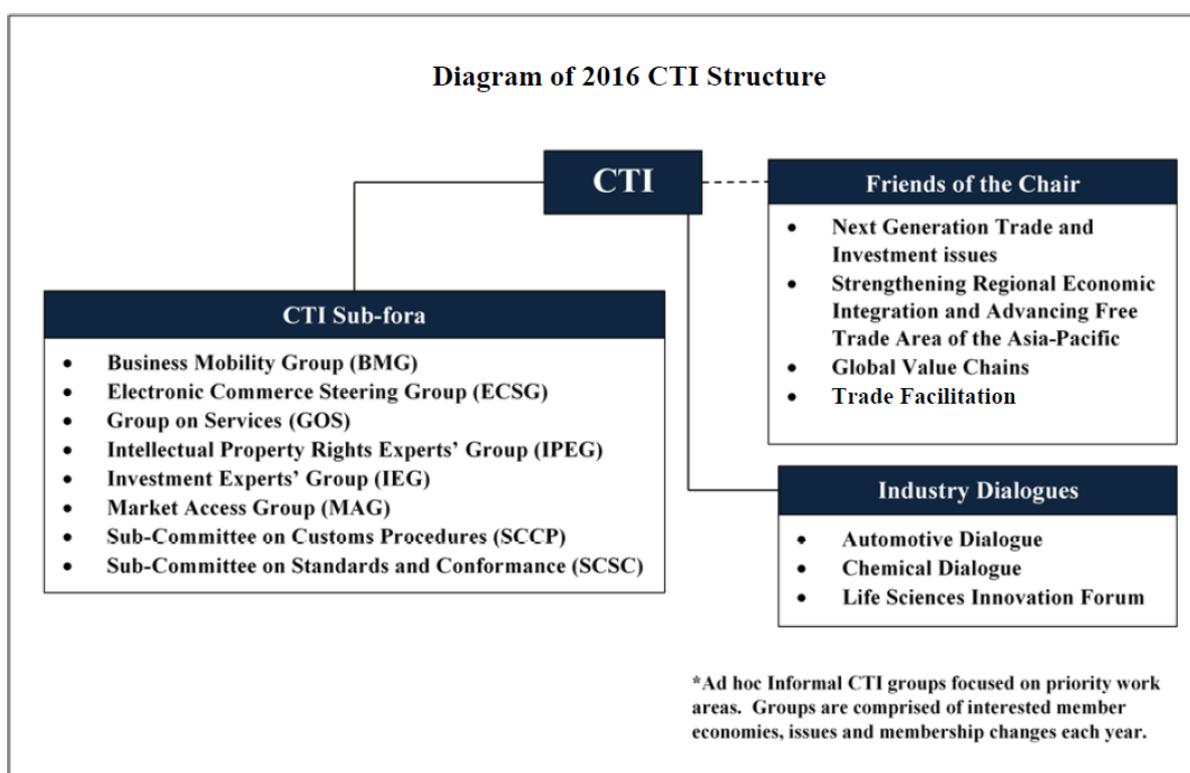
pre-arrival processing, advance rulings, expedited shipments, release of goods, and electronic payments;

- The outcomes of the activities of the APEC Alliance for Supply Chain Connectivity (A2C2), including its continuation through the TOR for 2017-2020 (*see Appendix 21*);
- Progress made to promote a wider use of interoperable Global Data Standards (GDS), including a targeted capacity building project to assist GDS pilot projects, and an ongoing study conducted by the PSU to assess the costs and benefits of GDS in supply chains;
- Progress made in implementing the Asia-Pacific Model E-Port Network (APMEN), including the convening of the 2nd Public-Private Dialogue on APMEN and the 3rd Meeting of the APMEN Joint Operational Group (AJOG);
- Progress made in implementing the APEC Cooperation Network on Green Supply Chain (GSCNET);
- The development and launch of the APEC Virtual Knowledge Center on Services (AVKCS);
- Study by the PSU on APEC Best Practices in Authorized Economic Operator (AEO) Programs(*see link: http://publications.apec.org/publication-detail.php?pub_id=1738*);
- The cross-fora dialogue in 2017 between LSIF, HWG and the FMP on the fiscal and economic impacts of ill-health;
- Progress made on the APEC Regulatory Cooperation Advancement Mechanism on Trade Related Standards and Technical Regulations (ARCAM), including on facilitating trade and investment in sustainable materials management solutions;
- Progress made on the implementation of the active topics of ARCAM, including on advertising self-regulation among APEC economies and the Electric Vehicles Roadmap;
- CTI's work to undertake a review to streamline, strengthen and sharpen the CTI and its sub-fora, and process for selecting the CTI Vice Chair;
- *Report to Ministers on Reducing Divergences in GHS Implementation in APEC Economies (see Appendix 22)*; and
- *LSIF Executive Board Co-Chairs' Letter to Ministers and Leaders (see Appendix 23)*.

Introduction

The APEC Committee on Trade and Investment (CTI) is the key body responsible for delivery of APEC's work on trade and investment. CTI encourages APEC member economies to undertake individual and collective actions to liberalize and facilitate trade and investment within the APEC region, in order to achieve the Bogor Goals. This work is supported by economic and technical cooperation (ECOTECH) initiatives, aimed at building capacity in member economies to assist them in undertaking trade and investment liberalization and facilitation.

The CTI oversees eight sub-groups and three industry dialogues (see diagram below). CTI also works closely with other specialist APEC Committees, Task Forces and Working Groups to ensure that Leaders' and Ministers' instructions on trade and investment issues are implemented in a coordinated manner.



The CTI Annual Report to Ministers for 2016 outlines the Committee's accomplishments and recommendations in the key priority areas of APEC's Trade and Investment Liberalization and Facilitation (TILF) agenda in support of APEC's 2016 priorities under the theme of "*Quality Growth and Human Development*". Collective Action Plans (CAPs) in various *Osaka Action Agenda* (OAA) issue areas, which were first reported in 1996, continued to be the Committee's main vehicle for advancing APEC's trade and investment agenda.

The key elements of CTI's work program for 2016 were aligned around priority areas that would contribute to the APEC 2016 Priorities. These were: (i) support for the multilateral trading system/WTO; (ii) advancing regional economic integration; (iii) strengthening connectivity and infrastructure development; (iv) regulatory cooperation; and (v) contributions of CTI and sub-fora to

cross-cutting mandates. CTI advanced the initiatives announced by Leaders and Ministers in the preceding years. A summary of the highlights includes the following:

(1) The second-term review of the Bogor Goals was conducted, based on which an in-depth review enlightened economies' progress and the remaining issues to be addressed to attain the Bogor Goals;

(2) A series of initiatives and projects in addressing non-tariff measures (NTMs) were implemented. This includes the *APEC Model Wine Certificate* welcomed by Trade Ministers, the workshop on import licensing, and the reporting mechanism for increasing transparency measures affecting exports;

(3) The Collective Strategic Study on Issues Related to the Realization of the FTAAP and the accompanying Recommendations was finalized, as mandated by the Beijing Roadmap for APEC's contribution to the Realization of the FTAAP, with considerable work conducted by the Task Force on the Collective Strategic Study;

(4) Projects continued to be implemented on various work streams under the APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation (GVCs Blueprint);

(5) A series of activities were conducted to promote common understanding of digital trade, including holding of two trade policy dialogues and a study conducted by PSU;

(6) Implementation of the Environmental Services Action Plan (ESAP) commenced through the study conducted by the PSU on the regulatory situation in APEC economies on environmental services classified under CPC 94;

(7) There were active contributions by CTI to move forward the issue of addressing MSMEs' entry into global and regional markets. This included agreeing on a suite of initiatives such as the promotion of e-commerce to globalize MSMEs; supporting industry initiative; creation of the compendium on methodologies for MSMEs to enter the global market; and inclusion of MSMEs in the services sector in promoting MSMEs participation into global value chains under the GVCs Blueprint.

IPEG, CTI's sub-fora, implemented and discussed projects in promoting MSMEs' utilization of intellectual property rights. The *Best Practices in Trade Secret Protection and Enforcement Against Misappropriation* was agreed upon by Senior Officials in SOM3;

(8) CTI contributed to the completion of the APEC Services Competitiveness Roadmap (ASCR), providing inputs and comments as a core forum to its formulation. Discussions and initiatives where CTI took a lead on the measurement of services trade restrictiveness and domestic regulation principles supported this process;

(9) CTI engaged in a series of programs to improve supply chain performance, including targeted capacity building activities on pre-arrival processing, advance rulings, expedited shipments, release of goods, and electronic payments; and pilot projects and cost benefit analysis of applying Global Data Standard (GDS). The APEC Alliance on Supply Chain Connectivity (A2C2), an advisory body comprising businesses, provided useful inputs and suggestions.

With the conclusion of the Supply Chain Connectivity Framework Action Plan (SCFAP) at the end of 2015, CTI worked to consider a succeeding framework which will serve as a guide to the further

improvement of supply chain performance. To this end, the Friends of the Chair on Trade Facilitation was established in 2016 to develop the SCFAP Phase II, taking into account the assessment of the preceding SCFAP. CTI discussed and agreed to the SCFAP Phase II;

(10) A new initiative to promote regulatory coherence and cooperation in areas affecting environmental services and specifically sustainable materials management solutions (e.g., recycling, composting and waste-to-energy) was launched under the auspices of the APEC Regulatory Cooperation Advancement Mechanism on Trade Related Standards and Technical Regulations (ARCAM) to facilitate trade and investment in this sector and mitigate the human health, ecological, and economic costs associated with insufficient waste management.

In 2016, under the initiative of the CTI Chair, CTI has intensified its efforts to streamline, strengthen and sharpen the CTI and its sub-fora in order to enable CTI and its sub-fora to effectively address important issues. As part of this effort, CTI agreed to the process of selecting a CTI Vice-Chair to be effective in 2017.

CTI collaborated closely with the Economic Committee (EC) to ensure that the committees' respective work programs on business facilitation, ease of doing business (EoDB) initiative, and regulatory and structural reform are complementary. In 2016, CTI intensified its collaboration with the EC to work closely to contribute to the process of developing the ASCR. Discussions have focused on important elements to move forward the work, given that services trade involves a wide range of domestic regulatory aspects and the need for increased cooperation between regulators and trade officials. As such, both committees convened a joint session on 22 August in Lima in the margins of SOM3. In addition, CTI's sub-fora such as the Sub-Committee on Standards and Conformance (SCSC) and the Chemical Dialogue (CD) also continued collaboration with the EC on the application of Good Regulatory Practices. The EC – SCSC 9th Conference on Good Regulatory Practices (GRP) was held under EC in the margins of SOM3, with the CD and Food Safety Cooperation Forum Partnership Training Institute Network (FSCF/PTIN) also contributing to the Conference.

CTI also worked closely with the APEC Business Advisory Council (ABAC) throughout 2016 to ensure that CTI work plans and deliverables took into account the needs of the business community. Representatives of both CTI and ABAC participated in each other's meetings, maintaining consistent and constructive dialogue on key issues, such as advancing FTAAP, services trade and investment liberalization, global value chains, trade facilitation, including global data standards standards for pharmaceutical product serialization and verification, and improvements to the APEC Business Travel Card.

The Policy Support Unit (PSU) and CTI continue to share a close working relationship. In the area of advancing regional economic integration, PSU provided editing support to the Collective Strategic Study on Issues Related to the Realization of the FTAAP. PSU also reported on the trends and developments in provisions and outcomes of RTAs/FTAs APEC members implemented in 2015 as required under the Information Sharing Mechanism, and presented the findings at the SOM Dialogue on RTAs/FTAs.

Two assessments were conducted with CTI's support, namely: the (1) second-term review of APEC's Bogor Goals, findings of which contributed to the discussion on the work APEC should focus on towards 2020 and beyond; and (2) final assessment on SCFAP 2010-2015, results of which contributed to the development of the SCFAP Phase II. PSU also completed a study on APEC Best Practices on Authorized Economic Operator (AEO) Programs. The other study on the costs and benefits of applying GDS to supply chains based on five pilot projects is ongoing.

On services, PSU completed a survey on regulatory measures in environmental services in the APEC region, thereby implementing the first phase of the Environmental Services Action Plan (ESAP). Through GOS and MAG, PSU undertook four case studies looking at the role of services trade in GVCs. In addition, PSU supported the organization of the Joint EC-CTI Dialogue on Services, and provided inputs on targets and indicators in the ASCR. A 2015 study titled “Services in Global Value Chains: Manufacturing-Related Services” was also published by World Scientific and distributed to the APEC Trade Ministers.

PSU contributed to the discussion on digital trade through a study on the key issues in promoting digital trade in APEC. PSU also completed the groundwork for an upcoming project on promoting e-commerce to globalize MSMEs.

Section I: Support for the Multilateral Trading System

Highlights:

- CTI and its sub-fora continued to exchange views during the meetings on possible contributions they could make in support of the WTO, including in response to outcomes of the 10th WTO Ministerial Conference (MC10) held in Nairobi in December 2015.
- There were several proposals discussed at CTI which aimed at complementing the implementation of the multilateral trade agreements.
- In this regard, Papua New Guinea submitted a proposal to encourage the implementation of the WTO commitments on export subsidies by establishing a systematic method for information sharing and exchange to begin in SOM1 2017. CTI discussed and agreed to the proposal intersessionally in October 2016.
- Peru organized a workshop in the margins of SOM3 to prompt economies' further understanding of this issue. The United States tabled proposals on the creation of an *APEC Fisheries Assistance Program Reporting Mechanism*, aiming at further improving the transparency and reporting of existing fisheries subsidies programs. CTI discussed the proposal, although some economies expressed reservations to the proposal due to sensitivities and possible duplication of work in the WTO.
- Continued efforts were made to urge economies to ratify the WTO Trade Facilitation Agreement (TFA), which was adopted in November 2014. Considering that entry into force of TFA requires ratification of more than two-thirds of WTO Members, Senior Officials instructed CTI that all economies should notify the acceptance of TFA by November in order to indicate APEC economies' commitment to provide impetus to the entry into force of the TFA. As of 10 November 2016, 17 economies out of 21 had notified the WTO of their acceptance of the TFA. Of the remaining economies, a number are close to concluding the domestic processes for the notification.
- There were discussions on the necessity for APEC to consider a more value-added approach with regard to its support and contribution to the Multilateral Trading System, including the significance of issuing a stand-alone Ministerial Statement on a yearly basis under the current format. CTI and Senior Officials are to continue discussing this issue further.
- The Investment Experts' Group (IEG) under CTI had active discussions through two IEG meetings as well as intersessionally in the area of International Investment Agreements (IIAs), in collaboration with external stakeholders such as the APEC Business Advisory Council (ABAC), the Organisation for Economic Co-operation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), and the World Economic Forum (WEF).

Section II: Advancing Regional Economic Integration

Highlights:

Achieving the Bogor Goals

- The achievement of the Bogor Goals remains the cornerstone of APEC work. 2016 has been the year for the Second-Term Review of the Bogor Goals, one of the important milestones for tracking progress being achieved in terms of trade and investment liberalization and facilitation. CTI discussed two reports prepared by the PSU; a general assessment of the APEC region as a whole and a report on each APEC member economy based on the revised Individual Action Plan (IAP) template submitted by economies to report on progress, as well as on external sources of information such as from international organizations. The reports highlighted among others, slowing of the growth of trade in goods in recent years due to structural elements such as the development of global value chains; substantial reduction of the tariffs during 1994 – 2015 while the pace of progress has slowed down after 2010, especially on the progress of zero tariffs; the increase of the number of non-tariff measures (NTMs) applied and its growing importance; marked increase of trade in services especially developing economies' importance increasing by time; and the aggravation of perception on the business environment. The reports provide a basis to identify areas for further focus and priorities to conduct work towards meeting the Bogor Goals.
- At the sidelines of SOM3, a Dialogue on *APEC Towards 2020 and Beyond* was held. It looked to discuss APEC's 'unfinished business' from the Bogor Goals of 2020 and post-2020 scenarios that APEC must address. The aim is to discuss and develop a post-2020 vision that identifies and anchors itself in APEC's unique value-add, particularly in redefining and reinforcing APEC's role. Since the Second-Term Review of the Bogor Goals has been completed this year, it is significant to continue discussions into 2017 to ensure that achievements on initiatives are maintained, further developed, or improved.
- As part of the work related to NTMs, a self-funded workshop on *Import and Export Licensing Regimes* was held in June. Economies exchanged views on the current situation of import licenses and provided cases and ideas in ensuring better transparency of the process both in domestic regulations and in the WTO framework. Economies were encouraged to build on this work by developing practical initiatives to address non-tariff barriers in the region. There were also discussions on the possibility of alternative measures other than import licensing to achieve similar objectives.
- During CTI2, the proposal on the *APEC Trade Repository – Recommendations for Next Steps* was adopted. The initiative provides that the APEC Website on Tariff and ROOs (WebTR) will now be discontinued and that economies promote the APEC Trade Repository (APECTR) website domestically. The APECTR will also provide a link to the APEC MSME Marketplace, implemented by the SME Working Group (SMEWG).
- The United States put forth a proposal on *Permanent Customs Duty Moratorium on Electronic Transmissions, Including Content Transmitted Electronically*, which aims at providing a basis for economies to consider a permanent status to the customs duty moratorium on electronic transmissions. Currently, the moratorium, which takes the form of a ministerial decision, is renewed every two years in the WTO. While several economies have expressed broad support

with a number of economies co-sponsoring the proposal, some economies expressed reservations. CTI agreed to adopt a pathfinder approach to take the proposal forward. Twelve economies (Australia, Brunei Darussalam, Canada, Chile, Japan, Korea, Mexico, New Zealand, Peru, Singapore, Chinese Taipei and the United States) have committed to join the pathfinder.

- Regarding the promotion of products contributing to sustainable and inclusive growth through rural development and poverty alleviation, Indonesia is to carry out a follow-up workshop in the margins of SOM1 in 2017, building upon the study conducted by the PSU in 2015, and in response to the 2015 Leaders Statement to “encourage further progress and practical initiatives to carry out the 2013 mandate of exploring trade in products that contribute to sustainable and inclusive growth through rural development and poverty alleviation”. The workshop plans to discuss policy measures to help to facilitate the reduction and gradual elimination of barriers to trade in selected products, including the discussion on appropriate behind the border factors.
- The Market Access Group (MAG) will continue discussing potential ways in tackling NTMs through cross-fora collaboration and engagement with other international organizations. The group has drawn higher interest from its members in discussing NTMs through the following activities/initiatives:

The United States led the discussion on the initiative of *Increasing Transparency of Measures Affecting Exports* agreed last year under the recognition that information on a broad range of measures affecting exports available in one place will enhance transparency and reduce burdens for economic operators. Through discussions at MAG, a proposal was developed, where (1) export subsidies, (2) export duties and taxes, and (3) quantitative export restrictions applied on an MFN basis, will be the scope of measures to be reported, which will be provided through the APECTR, a “one stop shop” to access trade-related measures established last year. CTI endorsed the proposal in October intersessionally.

To explore other areas for collaboration in addressing NTMs, during the MAG2 Meeting in Lima, MAG invited the World Energy Council (WEC) to present its report titled *Non-Tariff Measures: Next Steps for Catalysing the Low Carbon Economy* which identified the major NTMs inhibiting greater liberalization of trade in energy goods, in which twelve (12) barriers were identified in the energy sector which include local content requirements, customs procedures, government procurement, tax laws, administrative licensing, and export controls.

- As part of an effort to address issues related to NTMs of trade in wines, the Sub-Committee on Standards and Conformance (SCSC), on the basis of work conducted by the Wine Regulatory Forum (WRF) under SCSC, discussed and endorsed the *APEC Model Wine Certificate*. The APEC Model Wine Certificate intends to facilitate and ease wine trade bottlenecks in the APEC region by providing a tool for standardizing the certificates through voluntary implementation, and by promoting the reduction and elimination of technical barriers for wine trade. CTI and Senior Officials endorsed the *APEC Model Wine Certificate*, which was welcomed by Ministers Responsible for Trade in May 2016.

Exploring an FTAAP

- Progress was made on the implementation of actions under the Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP agreed by Leaders in 2014. In building on previous work based on a step-by-step approach, CTI, through the Task Force on the Collective Strategic Study (the CSS) on Issues Related to the Realization of the FTAAP established in 2015 and comprising all 21 member economies, conducted the drafting and coordination of the CSS. The CSS comprises the following, with the Recommendations:
 - Chapter 1 – Overview
 - Chapter 2–Review of the APEC Regions' Economy
 - Chapter 3–Next Generation Trade and Investment Issues
 - Chapter 4–Measures Affecting Trade and Investment
 - Chapter 5–Stocktaking of Existing RTAs/FTAs in the Asia-Pacific Region
 - Chapter 6 –Stocktaking of Initiatives and Outcomes Relevant to an FTAAP
 - Chapter 7–Update of Other Analytical Work
 - Chapter 8–Ongoing Regional Undertakings
 - Chapter 9 – Opportunities and Challenges
- CTI and Senior Officials discussed and agreed to the structure and content of the CSS. *Recommendations* of the CSS were developed, taking into account findings of the CSS, to be presented to the Ministers and Leaders. In line with the CSS and its Recommendations, further work is expected for the next year and beyond, including addressing the challenges and gaps as identified in the CSS.
- CTI reviewed the progress in implementing the 2nd Regional Economic Integration (REI) Capacity Building Needs Initiative (CBNI) 2015-2017. Various capacity building activities have been and are expected to be implemented in 2016. These include the following areas: Existing International Investment Agreements in the APEC Region, Relevance, Emerging Trends, Challenges and Policy Options to Address Coherence in Treaty Making (2 February, Lima, Peru); Scheduling of Market Access Negotiations in Services Trade and Investment (27 – 28 June, Seoul, Korea.); FTA Negotiation Skills on Environment - Phase 2 (30 June – 1 July, Da Nang City, Viet Nam); Negotiations of Services Chapters under FTAs with a Negative List Approach (19 - 21 August, Lima, Peru); and FTA Negotiation Skills on Intellectual Property, Phase 2 (29 – 30 November, Ha Noi, Viet Nam).
- Further capacity building activities under CBNI 2 are anticipated in 2017, including in the field of competition policy, electronic commerce, and environment.
- On the APEC RTAs/FTAs Information Sharing Mechanism, CTI held a trade policy dialogue (TPD) on WTO-Plus Aspects of Recently Concluded RTAs and FTAs on 7 May in the margins of SOM2 in Arequipa, Peru. The trade policy dialogue highlighted WTO-plus outcomes in APEC economy RTAs/FTAs with a view to building support for high quality, comprehensive RTAs/FTAs as potential building blocks for the realization of the FTAAP. Presentations and discussions focused on a general overview of various WTO-plus aspects of the Canada-Korea FTA, AANZFTA, Chile-Australia FTA, while focusing on specific sectors for the ANZTEC (conformity assessment), Korea-Peru FTA (government procurement), and TPP (intellectual property, regulatory coherence).

- CTI representatives also participated in the SOM Dialogue on RTAs/FTAs on 25 August in the margins of SOM3 where presentations and discussions were conducted on such issues as academics' and negotiators' perspective on TPP and RCEP; convergence and divergence of FTAs; importance of CBNI initiatives and future suggestions for contributing to larger regional undertakings; and better utilization of FTAs/RTAs especially by SMEs. The PSU provided an overview of the trends and developments in the provisions and outcomes of RTAs/FTAs implemented by APEC economies in 2015.

Global Value Chain Cooperation

- CTI, through its FoTC on GVCs, continued to conduct work to take forward the APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation (GVCs Blueprint) agreed by Leaders in 2014, including projects and initiatives related to the following work streams:
 - Work Stream 1 – Addressing trade and investment issues that impact GVCs (United States)
 - Work Stream 2 – APEC GVCs and TiVA Measurement (China, United States)
 - Work Stream 3 – Realize the critical role of trade in services within GVCs (Australia)
 - Work Stream 4 – Enable developing economies to better participate in GVCs (Indonesia, China)
 - Work Stream 5 – Assist SMEs to benefit from GVCs (Korea)
 - Work Stream 6 – Improve the investment climate for GVCs development (Japan)
 - Work Stream 7 – Adopt effective trade facilitation measures (Singapore)
 - Work Stream 8 – Enhance resiliency of GVCs (Japan)

In relation to work stream 9 to encourage public-private partnerships for GVCs, CTI had agreed in 2015 that all lead economies should encourage and integrate public-private partnerships and dialogues in their work plan activities.

- On work stream 2 (APEC GVCs and TiVA measurement), since the first meeting of the Technical Group on the Measurement of APEC TiVA in May 2015, substantial progress has been made during 2016 to advance the Strategic Framework on Measurement of APEC Trade in Value-Added (TiVA) and Action Plan on the Strategic Framework on Measurement of APEC TiVA under GVCs agreed by the Leaders in 2014, which sets a target to establish an APEC TiVA Database by 2018. The Technical Group on the Measurement of APEC TiVA, comprising experts of member economies and international organizations such as the WTO, OECD and ADB, held its second meeting on November 4, 2015 in Shanghai, China in order to advance work and accomplish the tasks under the work plan. Following this, the third meeting was convened on 25-26 February 2016 in Lima, Peru in the margins of SOM1. The Technical Group discussed issues related to data sources and compilation methodology and identified capacity building needs of the economies. As a result, the Technical Group drafted and submitted two key documents to the CTI, the *Proposed Code of Conduct of the Working Website of APEC Technical Group of Measurement on TiVA Under GVCs* and the *Suggested Classification of Measurement on APEC TiVA Terms of Reference on the Operational Mechanism of the Technical Group on Measurement of APEC TiVA under Global Value Chains*. CTI discussed and agreed to the documents, which were endorsed by the Ministers Responsible for Trade (MRT) Meeting in May.

The fourth Technical Group meeting was held in October in Bangkok, Thailand in conjunction with the second capacity Building Workshop. The workshop was organized and implemented on the basis of economies' needs identified at the second Technical Group meeting and through the *Questionnaire for APEC Measurement on TiVA 2016 Progress Assessment and Technical Assistance/Capacity Building Needs*. The fourth Technical Group meeting discussed and agreed to the work plan for 2017 based on the achievements and issues identified during 2016.

- In relation to work stream 3 (Realize the critical role of trade in services within GVCs), CTI agreed to incorporate the related work into the APEC Services Competitiveness Roadmap.
- In relation to work stream 4 (Enable developing economies to better participate in GVCs), the lead economies of the work stream (China, Indonesia) proposed a draft report on *APEC Developing Economies' Better Participation in Global Value Chains (Phase I): Current Status, Concerns and Challenges* and *(Phase II): Implication and Suggestion*. Phase I of the draft report was discussed at CTI2 and was endorsed by Senior Officials and MRT. Phase II of the draft report was discussed and agreed at CTI3 and endorsed at SOM3.
- In relation to work stream 5 (Assist SMEs to benefit from GVCs), see "Contribution to MSMEs' integration into global and regional markets" below.
- In relation to work stream 6 (Improve the investment climate for GVCs development), progress was made to implement the work plan, with CTI having discussed the *Scope of the Study on Improving the Investment Climate*. Three sub-regional groups were formed for the purposes of convening public-private dialogues (PPDs) in order to discuss and identify common issues, challenges, and measures for improving the investment climates in those sub-regions. Australia hosted a PPD in Kuala Lumpur on 28-29 April 2016, followed by Japan and Peru's hosting of a PPD in Lima, Peru in the margins of SOM3. CTI noted Japan's plans to hold a PPD early next year in Tokyo, Japan.
- Other than the work related to each of the work streams, Japan and Peru held a public-private dialogue on *Enhancement of Integration of Regional Value Chains in Asia and Latin America and the Caribbean (LAC)* on 17 August in Lima, Peru in the margins of SOM3. With the participation of government, the private sector, and international organizations, the workshop highlighted the current situation of regional value chains in Asia and LAC, and discussed ideas on how to enhance integration of both regional value chains.

Next Generation Trade and Investment Issues

- On manufacturing related services which was selected as a Next Generation Trade and Investment Issue (NGETI) for work in 2014, following the endorsement of the Manufacturing related Services Action Plan (MSAP) by the Ministers in 2015, CTI discussed further steps to implement the MSAP, and agreed to the discussion paper for the Implementation and Review Mechanism of the MSAP. It includes cooperative actions and capacity building to share experiences and good practices on trade-related measures affecting manufacturing related services, with interim and final review in 2018 and 2020.
- As regards issues related to digital trade, CTI discussed progress in implementing the *Work Plan for Advancing Facilitating Digital Trade for Inclusive Growth As a Potential Next Generation*

Trade and Investment Issue agreed by CTI in 2015. Two TPDs were held in Lima, Peru with the objective of gaining a common understanding of the current situation and characteristics of digital trade. The first TPD was held on 26 February in Lima, followed by the second TPD held on 19 August. In conjunction with the TPDs, PSU conducted a study on digital trade, which is ongoing, to contribute to the above-mentioned process.

- In order to further advance the work on digital trade in 2017 and beyond building on the work carried out this year, the United States proposed at CTI3 *Next Steps for Advancing Work on Digital Trade in 2017* that includes continuing robust trade policy dialogues with industry and other stakeholders in 2017, development of a digital trade work program, sharing experiences and effective practices, and establishment of targeted capacity building programs to expand and promote digital trade in the region. CTI discussed and agreed to the proposal.

Environmental Goods and Services/Green Growth

- Following the intensive work during 2015 to work out plans to implement the Leaders' commitment to reduce applied tariff rates on the 54 products in the APEC List of Environmental Goods (EG List) to five per cent or less by the end of 2015 in accordance with the agreement reached in 2012 in Vladivostok, CTI received further updates from economies through "Detailed Implementation Plans" to capture such progress. Updates were compiled and published on the APEC website in January 2016. The publication of the "Detailed Implementation Plan", which outlines (1) legislative or executive authority to be used to make the necessary tariff reductions and (2) the tariff lines on which applied tariffs would be reduced to five percent or less for each of the 54 Environmental Goods List subheadings, serves to enhance transparency for business and other stakeholders on tariff reductions under the EG List. CTI also noted the need to identify and prioritize NTMs related to environmental goods and services considering its growing importance.
- Bearing in mind that some economies have not yet fully implemented the Leaders' commitment on the EG List, CTI monitored the progress in 2016 through economies' detailed updates to the CTI Chair. Although certain additional progress has been noted, the CTI Chair encouraged economies to continue to work intensively in order to achieve full implementation of the Leaders' commitment.
- CTI welcomed the progress underway on the implementation of Phase 1 of the Environmental Services Action Plan (ESAP) endorsed by Ministers in 2015. As an initial part of Phase I, CTI discussed a survey conducted by the PSU on *Regulatory Measures in Environmental Services*, in which various regulatory aspects of environmental services in APEC economies classified under CPC 94 (Sewerage/ sewage treatment and septic tank cleaning services, Waste collection services, Waste treatment and disposal services, Sanitation and similar services, Remediation services, and Other environmental protection services) were analyzed, including institutional framework of regulations (central government/sub-central government), content and tendency of regulatory measures and liberalization of environmental services were highlighted. Further steps to implement the ESAP are envisaged in 2017 as the second part of Phase I, including studies and policy dialogues to build and enhance common understanding of the role of a wider range of environmental services. Possible service sectors may include water related business, refuse disposal and recycling related business, renewable energy related business, energy efficiency related business, and environmental pollution control business. The ESAP further

envisages identifying key challenges and compiling recommended actions to address those challenges and sharing good practices as a means to promote liberalization, facilitation and cooperation in this area in the succeeding years.

Contribution to MSMEs' Integration into Global and Regional Markets

- CTI discussed, implemented, and contributed to a suite of initiatives and projects related to MSME's internationalization, including new initiatives proposed this year which supports the implementation of the Boracay Action Agenda (BAA) to Globalize MSMEs.

(Promoting participation of MSME's participation to GVCs)

- CTI continued to advance work to promote MSMEs' participation in the global value chains of major industries under work stream 5 of the APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation, agreed by the Leaders in 2014.
- With regard to the work to promote the participation of MSMEs in five major individual sectors under the work stream, i.e., (1) healthcare product value chains (United States); (2) IT/electronics (Korea); (3) automotive sectors (Malaysia, the Philippines); (4) agribusiness (food) sector (Thailand), and (5) textiles/apparel (Viet Nam), continued progress of work was marked following 2015. In addition, two workshops were held: on agribusiness (7-8 March, Bangkok, Thailand) and on textile and apparel global value chains (29-30 March, Hanoi, Viet Nam).

Based on the workshop on IT/Electronics held in September last year, Korea, the lead economy for the IT/Electronics sector, tabled a *Research on Promoting SME Participation in Global Value Chains - ICT/Electronics*, which analyses GVCs in this sector including opportunities and benefits brought about by GVCs; lack of information for MSMEs that limits their potential, which should be complemented by appropriate government policies and information-sharing platforms; and importance of trade and industrial policy towards mitigating trade barriers as the cost of protectionism increases with further advancement of GVCs. CTI discussed and agreed to the report.

On the automotive sector, building on the progress achieved in 2015, Malaysia and the Philippines, as lead economies, proposed at CTI1 a work program for the *Regional Automotive Supplier Excellence Program (RASEP)* which underpins a more targeted approach to promote participation of MSMEs in automotive GVCs. The work flow consists of the following: a (1) workshop to discuss best practices on practical solutions/programs, (2) development of RASEP, (3) identification and selection of SMEs to participate in RASEP, (4) implementation of tailored technical assistance and capacity building for auto SMEs to address issues identified by the RASEP, and (5) post-RASEP assessment/review. CTI discussed and endorsed the proposal as a living document. Implementation of the work program is expected to start in early 2017, with a workshop to be held under the collaborative effort of CTI and the Automotive Dialogue (AD) to discuss best practices on practical solutions/programs referred to in (1) above.

- With a view to synthesize the work implemented during 2015 - 2016 on the five major individual sectors, Korea, the lead economy of work stream 5, held a workshop on *Promoting MSMEs' Integration into Global Value Chains in Major Industries* on 20 August in Lima, Peru in the margins of SOM3 in which findings and outcomes achieved through the implementation of each project were discussed. On the basis of the workshop, Korea produced a draft "*GVCs Policy Report*" in October which includes findings and policy recommendations as a guidance to the

priorities and direction of work to promote participation of MSMEs to GVCs under work stream 5 of the APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation. CTI considered and agreed to the GVCs Policy Report intersessionally.

- In addition to the current five major sectors, Peru and Korea put forth a proposal to add MSMEs in the services sector to promote MSMEs' integration into GVCs in services industries. This also constitutes part of efforts to support APEC's works on Trade in Services. CTI discussed and agreed to the proposal including the Terms of Reference (TOR) to conduct the project. CTI welcomed the intention of economies to lead specific sectors as provided in the agreed TOR, in particular: Korea on software; Peru on tourism; and Viet Nam on logistics and distribution.

(Contribution to the implementation of the Boracay Action Agenda)

- CTI and its sub-fora contributed to the implementation of the Boracay Action Agenda (BAA) agreed by the Leaders in 2015, in line with Implementation Plan for the BAA. The Philippines and the Secretariat conducted a stock-take of implementation of the BAA for 2016, according to which progress has been observed. The result of the stock-take will form a basis for considering further priorities to implement the BAA in 2017 and beyond.

(Promoting E-Commerce to Globalize MSMEs)

- On the basis of the proposal by Korea agreed by CTI in 2015 to conduct a project on *Promoting e-Commerce to Globalize MSMEs to support the BAA*, CTI discussed and agreed to the work plan and the TOR of the project. The project, in collaboration with the PSU, seeks to (1) identify barriers/difficulties faces by MSMEs to participate in e-commerce; (2) explore ways to address identified barriers/difficulties; and (3) develop a set of recommendations that can be used as a guide to develop capacity building plans. The project envisages cross-fora collaboration with such fora as the Electronic Commerce Steering Group (ECSG), the Small and Medium Enterprises Working Group (SMEWG), and the Ad-Hoc Steering Group on the Internet Economy (AHSGIE) during its implementation in 2017.
- Under the auspices of the ECSG, a two-day workshop on "*E-Commerce for Inclusion and Competitiveness*" was held in Peru in August 2016, which enabled experience sharing from member economies and the private sector on pertinent issues on financial and social inclusion and competitiveness, and the importance of the role of big data and cloud computing. Participants at the workshop agreed on the importance of facilitating digital payment, the use of cloud services, promoting e-commerce trade shows and ensuring consumer confidence as critical issues to facilitate cross-border e-commerce.
- Also under ECSG, the *IDEAS Show @ APEC Social e-Commerce* was held from 20-21 July 2016 in Chinese Taipei. The event examined current technologies, obstacles, and trends of e-commerce mechanisms and promoted collaboration for social e-commerce startups. The event attracted 300 startups from Japan; Hong Kong, China; and Singapore, and accumulated USD 190 million for early stage investment for the startups.

(Supporting Industry initiative)

- Based on the recognition that MSMEs, as supporting industries, play an integral role in the manufacturing value chains functioning as essential “infrastructure”, Japan and Viet Nam jointly proposed a *Supporting Industry Initiative* at CTI2. The proposal intends to share policy experiences and to suggest best policies for supporting industries through developing a “supporting industry policy guideline” by the end of 2017, taking into account combining policy elements such as clustering, research and development (R&D), human resources development, business matching, improvement of trade and investment environment, and access to finance. CTI discussed and endorsed the initiative. PSU is to support the initiative through conducting case studies to collect best policy practices. In addition, a policy seminar is scheduled to be held in the margins of SOM1 in 2017 to discuss supporting industry policies.

(Compendium on Methodologies for SMEs Internationalization)

- During the special session for SMEs at the 2016 Ministers Responsible for Trade Meeting, there were suggestions regarding the usefulness of compiling the methodologies and successful branding strategies of MSMEs in entering the global market. Against this backdrop, Peru submitted a proposal at CTI3 on developing a compendium of APEC best practices, methodologies and success stories on SMEs internationalization. CTI discussed and, subject to inputs from the SMEWG, agreed to the proposal. Some economies noted that the SMEWG would be best placed to undertake this work. The proposal was discussed at the SMEWG meeting on 7-8 September in Lima, Peru. Following the discussion at SMEWG, it was agreed that the CTI and the SMEWG will co-chair the initiative. Further works and coordination with the SMEWG to implement the initiative is expected in 2017, including the utilization of the MSME Marketplace.

(Sub-fora work to support MSMEs’ internationalization)

- The SCSC under CTI endorsed in 2015 a work plan to address issues related to standards and conformance that will enable SMEs to better participate in regional and global markets. The SCSC Workplan includes work in support of SCSC-SMEWG collaboration which consists of the following: (1) exchanging information on packing and labeling requirements; (2) sharing standards and conformance learning materials; and (3) capacity building activities oriented to training business, especially SMEs, to improve their knowledge, expertise and skills on standards and conformance matters. In light of (3) above, two APEC funded projects’ workshops were conducted in 2016; one on *Supporting Micro, Small and Medium Enterprises (MSMEs) Trade Facilitation through Standardization Activities* (Peru) and the other on *Capacity Building on Antibacterial Products and Materials and their Evaluation Test Method for Modernization of MSMEs in APEC Region* (Japan). These projects contributed to enhance synergies with SMEWG in terms of supporting SMEs in standards and conformance.
- During 2016, the Intellectual Property Expert’s Group (IPEG) has implemented and discussed a number of projects which intend to improve capacities of MSMEs’ effective utilization of intellectual property rights, including the following:
An APEC-funded project to develop a *Guidebook for SMEs’ IP-Business Cycle*, which started in 2015, continued to be implemented during 2016. The Guidebook will be finalized early next year.

IPEG discussed the following projects which were approved as APEC-funded projects: (1) SMEs Innovation: Capacity Building on IP Strategy; (2) Promoting Innovation through a Mechanism for

IP Valuation, Financing and Leveraging IP Assets; and (3) Best Practices on Brand Development and IP Protection for Micro, Small and Medium Enterprises (MSMEs).

- The AD contributed to the work related to MSMEs internationalization through continuous updates of the *Compendium of Automotive Business Regimes in APEC*, which aims at empowering APEC SMEs to penetrate the automotive GVCs through updated trends and knowledge on the automotive markets in the APEC region.

Advancing the Services Trade Agenda

- During 2016, CTI discussed and advanced a number of issues related to services trade, particularly in relation to the implementation of the 2015 APEC Services Cooperation Framework (ASCF). Under the Leaders' instruction to develop a strategic and long-term *APEC Services Competitiveness Roadmap (ASCR)* in 2016, CTI served as a core forum to provide inputs to the drafting process of the ASCR serving as a basis for high-level discussion at the Friends of the Chair (FOTC) on Connectivity and SOM. In addition, initiatives supporting the ASCR were discussed in CTI as mentioned below. It is noteworthy to mention that, given that services trade issue involves domestic regulatory aspects to a great extent and that cooperation between regulators and trade officials are important elements to move forward the services trade agenda, strong synergies exist between both the Economic Committee (EC) and the CTI. As such, both committees convened a joint session on 22 August in Lima in the margins of SOM3 where discussions focused on the draft APEC Economic Policy Report (AEPR) on Structural Reform and Services, and featured presentations by Bernard Hoekman of the European University Institute and Hildegunn Nordas of the OECD; presentations on case studies on services reform; and a discussion on the three overarching targets under the draft ASCR. There was discussion as well on key or backbone services sectors such as telecommunications and transportation.
- The joint meeting considered the draft ASCR further, with the CTI Chair drawing up areas for future collaboration such as identifying capacity building needs and the whole-of-government approach. The EC Chair also noted that the recommendations of the draft AEPR would be incorporated to the draft ASCR after its further development.
- Based on the 2015 Leaders' instruction on the ASCF to "seek better ways to ... increase the number of APEC economies with indices for measuring the regulatory environment in services including by providing capacity building and exploring the development of an APEC index, taking into account, as appropriate, existing indices maintained by other fora such as the OECD", Korea proposed at CTI1 to hold a workshop to learn from the existing international methodologies on measuring services, as well as a comparative analysis to serve as a starting point to work towards the development of an APEC index for measuring the regulatory environment. The *Capacity Building Workshop on Measuring the Regulatory Environment in Services Trade of APEC* was held on 12 May in Arequipa, Peru in the margins of SOM2, with the participation of experts from the OECD, the WTO, and the World Bank. Presentations and discussions were made on the benefits and utilization of services regulatory index, as well as on the methods and process of developing such indices, including OECD's Services Trade Restrictiveness Index (STRI) and the World Bank's STRI. On the basis of the above, discussions were made on how APEC could move forward the work to develop a services regulatory index by taking into account the lessons learned.

- To implement the Leaders' mandate which calls for an increase in the number of APEC economies with indices to measure the regulatory environment in services and as one of the next steps to the capacity building workshop, Korea put forth at CTI3 a proposal to carry out a pilot program on the OECD STRI. It is envisaged that the pilot program will involve volunteer APEC economies that are not yet covered by the index and will be implemented from 2017 to 2018. Some economies expressed reservations to the proposal.
- Korea tabled a proposal at CTI2 to develop a set of non-binding good practice principles for domestic regulation of the services sector, which can form part of the key elements to support the ASCR, recognizing that ensuring the quality of regulatory structure plays a pivotal role as enabling factors for trade in services. The proposal envisages brainstorming workshops/seminars to be held in the margins of CTI1 in 2017 to identify the elements that need to be contained in the principles, followed by the development and drafting of the principles, in close collaboration with the EC and the Group on Services (GOS). CTI discussed the proposal and agreed to the proposal intersessionally in November 2016.
- GOS continued to advance the REI agenda and achieved progress in its initiatives. GOS discussed its contributions to the APEC Services Competitiveness Roadmap and agreed to work on its implementation as tasked by CTI/Senior Officials. Under the APEC Global Value Chains (GVCs) Blueprint, *Case Studies on the Role of Services Trade in GVCs* involving the health services sector in Malaysia, telecommunication sector in Australia and Papua New Guinea, and transport services sector in Chile were conducted. The case studies on Papua New Guinea and Chile were completed and made available on the APEC website (http://publications.apec.org/publication-detail.php?pub_id=1763 and http://publications.apec.org/publication-detail.php?pub_id=1762, respectively).

On 30 September 2016, the Philippines officially launched the operation of the APEC Virtual Knowledge Center (VKC) on Services, an accessible and inclusive online tool providing platforms for knowledge-sharing, discussion boards, and virtual workshops to MSMEs, service providers, policy makers, and practitioners. It is an interactive hub for all services-related information and outputs by APEC which conveniently connects all members and users.

In terms of expanding regulatory cooperation and advancing regulatory convergence, GOS endorsed the *Compendium of Policy and Regulatory Practices: Guiding Principles for Services Sectors*, which is the final product of the Australia-led series of symposia on good policy and regulatory practices of eight services sectors (accounting, legal, architectural and engineering, logistics and transport, telecommunications and ICT, mining and energy, financial and higher education services). The Compendium aims to support APEC's work on services beyond 2016 as a key resource for individual economies, regulators, policy makers, and trade negotiators.

With regard to the STAR Database, the website has covered all 21 economies and eight service sectors. However, the website's long-term sustainability is an issue to be resolved by the Group.

Investment

- IEG discussed issues to move forward the investment agenda. Regarding the Investment Facilitation Action Plan (IFAP), it was agreed at IEG1 in 2015 to nominate “Implementing Economies” that will report on their state of implementation during 2015-2016 on three priority themes: e-transparency, reducing investor risk, and simplifying business regulation. As a result, 17 out of 21 Implementing Economies were specified. Ten (10) implementing economies submitted their details of implementation (as of October 2016). On the basis of the request from Co-Convenors at IEG2 in 2016, the PSU will assess the outcomes of implementation of the three priority themes. The PSU targets to submit the assessment report at IEG1 in 2017.
- On 15 August 2016, in the margins of IEG2, Australia hosted an Investment Policy Dialogue on *Approaches to Management of Foreign Investment: Sharing experience amongst APEC investment policy-makers and regulators*. The purpose of the dialogue was to explore different approaches to be taken to manage foreign investment and provide members with an opportunity to consider different policy options. Through the policy dialogue, members recognized the interests of having transparent rules or regulations to govern foreign investment applications. The policy dialogue enabled participants to consider the most flexible ways to manage these rules, and agreed to consider further work on this topic. A first step could be to develop a menu of policy options that targets to codify how economies manage foreign investment. This would improve transparency by defining how economies set the boundaries for investment both through rules that apply prior to investment and behind border restrictions post investment.

Economic and Technical Cooperation

- Following the establishment of the FTAAP and GVC sub-fund under the APEC Support Fund to which China contributed USD 3 million, five projects applying for the sub-fund were approved by the Budget and Management Committee (BMC) during the 2016 APEC funding session 1. In addition, during the 2016 APEC funding session 2, five projects applying for the sub-fund were in-principle approved by the BMC, based on which detailed project proposals are being developed for final approval as of 10 November. Through the funding, the FTAAP and GVCs sub-fund has greatly contributed and is expected to contribute to promote the implementation of important projects related to the realization of an FTAAP and GVCs.

Section III: Strengthening Comprehensive Connectivity and Infrastructure

Highlights:

Overview of Work Related to Improving Supply Chain Performance

- CTI and the Sub-Committee on Customs Procedures (SCCP) continued to review the progress made on various initiatives to improve supply chain performance, including capacity building work to improve economies' ability to prepare for implementing the articles included in the WTO Trade Facilitation Agreement (TFA).
- Following the Capacity Building Plan to Improve Supply Chain Performance agreed in 2014 to advance the systematic approach to the SCFAP, CTI discussed progress on the implementation of five projects funded by the APEC Supply Chain Connectivity sub-fund through targeted capacity building to implement the TFA on (1) pre-arrival processing, (2) advance rulings, (3) expedited shipments, (4) release of goods, and (5) electronic payments. CTI noted that there have been challenges in securing more volunteer economies to participate in the projects.

On pre-arrival processing, Peru, Malaysia and Viet Nam have been participating in the project. A significant outcome has been achieved for Peru where changes to its law and implementing procedures were reported. For Malaysia, a two-day capacity building program was conducted on 21-22 September where discussion was made on the assessment of findings and changes to be made to the Malaysia pre-arrival processing program. For Viet Nam, a consultant team conducted assessment in September on pre-arrival processing, advance rulings and expedited shipments which would contribute to the formulation of recommendations for capacity building.

On advance rulings, Chile and Viet Nam volunteered to participate. For Chile, assessment was conducted in April (together with release of goods and electronic payments), based on which an assessment report was finalized in October. A capacity building plan will be formulated accordingly on the issues identified.

On expedited shipments, the Philippines and Viet Nam participated in the project. For the Philippines, the assessment report was finalized in August. A follow-up work was conducted in October including a review of existing rules and regulations and the development of a unified implementation plan.

On release of goods, Chile has volunteered to participate, where an assessment was conducted (together with advance rulings and electronic payments). The assessment report was finalized in October based on which a capacity building plan will be formulated on the issues identified.

On electronic payments, Chile has volunteered to participate, where an assessment was conducted (together with advance rulings and release of goods). The assessment report was finalized in October based on which a capacity building plan will be formulated on the issues identified.

- A series of meetings of the APEC Alliance for Supply Chain Connectivity (A2C2), an advisory group consisting of supply chain and customs experts from the public and private sectors, was held during 2016 in Lima, Peru. The 4th A2C2 meeting was held on 23 February in the margins of SOM1 and the 5th A2C2 meeting was held on 21 August in the margins of SOM3. A2C2 reviewed the progress of the five projects outlined in the plan including an in-depth review of these ongoing targeted capacity building projects. A2C2 discussed the progress of work on Global Data Standards (GDS) which was added to the Capacity Building Plan to Improve Supply Chain Performance, including the possible application of GDS to risk management aspects, and assessment of the costs and benefits of applying GDS in supply chains based on the results of pilot projects. There were discussions on future work where priorities should be given to improve supply chain performance. Several private and public sector representatives exchanged views and provided suggestions, including the need to rectify the lack of border agency coordination through the implementation of WCO Immediate Release Guidelines, and to address impediments to MSMEs through customs valuation ceilings for goods. Considering that the work on establishing Phase 2 of the Supply Chain Connectivity Framework Action Plan (SCFAP Phase 2) is ongoing, and that private sector involvement is indispensable for improving supply chain performance, the A2C2 lead economy recommended that the A2C2 should continue its work for the SCFAP Phase 2. CTI welcomed the outcomes of the activities of A2C2, and agreed to the Terms of Reference of A2C2 which stipulates the extension of A2C2's activities to cover the period of 2017-2020 to provide academic and business advisory on addressing the chokepoints/pillars to be agreed on.
- In order to support APEC economies' efforts to implement the WTO TFA based on their needs, Peru conducted a project on *Best practices on critical issues in the Asia-Pacific region for the implementation of WTO Trade Facilitation Agreement*. The project was composed of two parts: (1) a survey conducted aiming at assessing the preparedness of APEC economies for the TFA, and identifying best practices and issues encountered by economies in the APEC region; and (2) a workshop held on 20-21 August in Lima in the margins of SOM3 where best practices and implementation guidance to implement the TFA were shared.
- On the suite of work related to promote a wider use of interoperable GDS, considerable progress has been achieved during 2016.

Hong Kong, China and New Zealand jointly conducted a project funded by the APEC Supply Chain Connectivity sub-fund to provide capacity building to the implementation of three GDS pilots: (1) durian (led by Malaysia); (2) asparagus (led by Peru); and (3) tequila (led by Mexico), with particular attention given to identifying the possible application of GDS in improving border risk management. Both economies also jointly conducted two self-funded GDS pilots: (1) boxed beef (Hong Kong, China); and (2) wine (New Zealand). The LSIF and ABAC conducted a pilot project in the Philippines testing the efficiency of the use of Global Data Standards (GDS) for product verification in the pharmaceutical supply chain.

PSU conducted a cost-benefit analysis on the application of GDS to supply chains employing indicators such as Delivered In-Full, On-Time (DIFOT), container demurrage, transport planning and visibility. This study, which is based on two implemented pilot projects: wine and boxed beef is in the final stage. The pilots indicate that the adoption of global data standards can contribute to amelioration of a number of chokepoints identified by the Supply Chain Connectivity Framework Action Plan (SCFAP), namely: lack of awareness and coordination

among government agencies on policies affecting logistics; burdensome customs documentation and other procedures; and variations in cross-border standards and regulations for movement of goods. The study on the other three pilot projects is ongoing and will be completed in 2017.

- Peru proposed an initiative on *Single Window Systems' (SWS) International Interoperability* which aims to foster the flow of goods, enhance supply chain security, reduce costs, and provide quality and timely information on trade across borders. CTI discussed and agreed to the proposal, which was welcomed at the 2016 Ministers Responsible for Trade Meeting. PSU was tasked to conduct a study to identify best practices and main obstacles, including organizational, legal and technical conditions in implementing SWS' international interoperability, and to explore the benefits and challenges using SWS international interoperability.
- In line with the 2016 work plan for the Asia-Pacific Model E-Port Network (APMEN) endorsed at the 2016 meeting of Ministers Responsible for Trade held in May, the 3rd APMEN Joint Operational Group (AJOG) was held on 26 July in Shanghai. A series of literature reviews (regulations and policies for E-port and single window, practices on using ICT infrastructure for cross border trade and supply chain connectivity by APEC economies) were conducted. The meeting also discussed a proposal to advance pilot projects of APMEN. The 3rd AJOG meeting was preceded by the 2nd Public-Private Dialogue on APMEN held on 25 July in Shanghai.
- In accordance with the 2016 work plan for the APEC Cooperation Network on Green Supply Chain (GSCNET), the Annual Conference and Capacity Building Workshop was held on 29 July in Shanghai. Discussions were made on the progress achieved and on future work plans including to further promote cooperation, information sharing, and demonstration projects. The GSCNET website was launched, which was later linked to the APEC official website. In addition, at CTI2, three new members were welcomed to the network - Australia, Korea, and Chile. CTI encouraged more members to nominate experts for the Expert Group of GSCNET as agreed in the work plan.
- SCCP reported the outcomes of the questionnaire conducted by Chile on the implementation of the APEC Customs Transit Guidelines on Chokepoint 8, with the objective of making a general diagnostic of each economy. The results of the questionnaire reflected different problems and criteria among economies: among others, that the implementation of the APEC Customs Transit Guidelines needs coordination and cooperation among multiple governmental agencies responsible for management on transit transport, and that, rather than customs, another agency is responsible for signing of the agreement on transit goods with other economies.
- SCCP will continue working intersessionally in order to define future activities related to chokepoint 8 to address issues in obtaining a certain degree of harmonization in preferential transit, which includes: (i) organizing a workshop where economies can explain the rules and procedures applicable on this matter, and to convene authorities from customs, transport and the private sector; (ii) collecting best practices of economies through a handbook to consider private sector participation; and (iii) evaluating needs of technical assistance.
- SCCP welcomed the *Study of APEC Best Practices in Authorized Economic Operator (AEO) Programs* prepared by PSU. This final report updates the APEC AEO Compendium done in 2010, and suggests ways to improve APEC AEO convergence and regional economic integration; helping APEC economies to harmonize customs procedures according to the AEO Action Plan.

The overall study highlights that 17 APEC member economies have operational AEO programs in varying stages of development. In addition, mutual recognition agreements (MRA) within the APEC region are vital to the success of AEO programs. MRAs will be successfully negotiated if administrations and governments trust each party's control mechanisms and program objectives/qualification requirements, especially with data protection.

- SCCP welcomed initial discussions on the development of a project with the Chemical Dialogue (CD) regarding information sharing and potential follow-up steps to address unnecessary diverges in approaches and treatment for the importation of chemicals.

Final assessment of SCFAP I and the establishment of SCFAP Phase II

- The Supply Chain Connectivity Framework Action Plan (SCFAP), initiated in 2010 as a five-year action plan to implement the APEC-wide goal of achieving a 10% improvement in supply chain performance in terms of reduction of time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, concluded at the end of 2015. In order to review the progress achieved during 2010-2015 and to identify issues for further improvement of supply chain performance, a final assessment of the SCFAP was conducted in 2016. CTI agreed to carry out work to formulate a second phase of an action plan to improve supply chain performance, taking into account the outcomes of the final assessment of SCFAP I. To this end, the Friends of the Chair (FOTC) on Trade Facilitation was established under CTI in 2016 to carry out related technical work.
- PSU has completed its report on the final assessment of SCFAP 2010-2015 based on the internal indicators, external indicators, and a self-assessment survey. The assessment highlighted improvement from Doing Business indicators for time to trade; but some gaps are apparent in terms of logistics performance. The report suggested that the common challenges in implementing SCFAP activities and achieving the 10% target of improving supply chain performance are related to insufficient infrastructure, lack of information and consistency, as well as institutional problems, particularly on chokepoint 2 (transport infrastructure), chokepoint 3 (logistics capacity), and chokepoint 6 (multimodal connectivity). In terms of the targets, cost, as against time and uncertainty, remains a key issue.
- The assessment report provided several areas that APEC could focus on in continuing the SCFAP work: simplifying and improving customs and border procedures and processes; improving quality and access to transportation infrastructure and services; reliable, secure and efficient logistics services; stronger regulatory cooperation and harmonization; improved policy and regulatory infrastructure for e-commerce.
- The above findings of the final assessment and the work carried out by the FOTC on Trade Facilitation led to the development and finalization of the *Suggested Framework for the Phase Two of Supply-Chain Connectivity Framework Action Plan 2017-2020 (SCFAP Phase II)*. SCFAP Phase II sets the overarching goal "To reduce trade costs across supply chains and to improve supply chain reliability in supporting the competitiveness of business in the Asia Pacific region", and to focus on addressing the following pillars:
 - 1) Lack of Coordinated Border Management and Underdeveloped Border Clearance and Procedures;

- 2) Inadequate Quality and Lack of Access to Transportation Infrastructure and Services;
- 3) Unreliable Logistics Services and High Logistical Costs;
- 4) Limited Regulatory Cooperation and Best Practices;
- 5) Underdeveloped Policy and Regulatory Infrastructure for e-Commerce.

The above pillars emphasize continued importance of addressing the eight chokepoints though in a more systematic manner, comprising related chokepoints into a cluster. On the other hand, it also corresponds to the need to address issues related to e-commerce which is increasingly affecting the supply chain.

Further work to establish the implementing mechanism of SCFAP Phase II is anticipated, including setting quantitative or qualitative targets or specific indicators to measure the progress and assess the performance of work under the respective chokepoint or pillar. It is envisaged that SCFAP Phase II will support the implementation of the WTO TFA and address trade costs, with cost being a most important consideration for businesses and traders, especially MSMEs.

Infrastructure Investment

- Following 2015, CTI continued to work on the agenda In relation to advancing Cross-Sectoral Issues on Physical Connectivity as Identified in the APEC Connectivity Blueprint for 2015-2025.

On the Peer Review and Capacity Building on APEC Infrastructure Development and Investment in which the Reference Guide for its implementation was agreed by CTI and welcomed by Ministers in 2015, the Philippines' Department of Public Works and Highways has agreed to participate in the Peer Review project, with the PSU acting as the ad-hoc review team secretariat. The final report of the Peer Review is scheduled to be delivered by MRT next year. The Peer Review, a voluntary process which reviews relevant laws, regulations and guidelines of reviewed economies from the viewpoint of "quality of infrastructure, people-centered investment, and good practices and principles", aims to identify capacity building needs of the reviewed economies.

A high level meeting on overcoming barriers to financing waste management infrastructure to prevent marine litter was organized by the Chemical Dialogue and Ocean and Fisheries Working Group. A set of policy and practice recommendations to help economies establish the political, economic, and legal/regulatory conditions to incentivize investment in waste management solutions in APEC economies by private investors, multilateral development banks, and other sources of capital was endorsed by the CTI.

CTI considered a *Study on Infrastructure Investment in the APEC Region* submitted by Japan, which aims to explore desirable infrastructure investment in terms of sustainable and quality growth/development in the APEC region through stocktaking and analysis of various existing rules/standards adopted by multilateral and bilateral donors/creditors. CTI agreed to the final report intersessionally in November. In addition, Japan plans to implement a project on *Capacity Building for Quality Infrastructure Investment in rapidly urbanizing APEC Region*. A series of capacity building workshops is planned, targeted for government officials in APEC developing economies in order to share their good practices and lessons learned and enhance

their understanding on quality infrastructure investment in urban areas. The project envisages developing policy recommendations to be discussed at CTI1/SOM1 in 2018.

People-to People Connectivity

- The Business Mobility Group (BMG) pursued the following key actions designed to advance mobility of business travellers:

(1) Implementing the extension of the validity period of the APEC Business Travel Card (ABTC) from three years to a maximum five years with effect from 1 September 2015;

(2) Scoping and providing technical assistance to members to improve ABTC pre-clearance processing times;

There has been continued growth in the take-up of the APEC Business Travel Card (ABTC) in the past year. As at 1 June 2016, there are 203,386 ABTC holders across APEC, where the number of ABTC cardholders increased by 8% compared to last year. BMG also undertook several initiatives and projects on improving client service frameworks, increasing travel security, as well as enhancing traveler facilitation and border integrity in the APEC Region.

(3) Overseeing the APEC-funded project for an End-to-End Review of the ABTC Scheme, which will recommend to the BMG opportunities for enhancement of the Scheme;

(4) Implementing enhancements to better manage passport changes of ABTC holders;

(5) Overseeing the APEC-funded project for an Online Lodgement System Workshop for the ABTC scheme;

The priority of online lodgement was strongly endorsed by the BMG's Online Lodgement Working Group (group of 5 + 1: Australia, China, Singapore, Thailand, the Philippines and Canada) as well as at the BMG Plenary meeting at SOM1 2016 – with online lodgement forming a key objective in the BMG's Goals for 2016. The Online Lodgement System Design Workshop will be held in Canberra, Australia on 16-18 November 2016. The systems design workshop will holistically consider the requirements of all economies, to provide the means for applicants to submit an application for an ABTC and, once approved by their home economy, for information to be automatically uploaded into the ABTC system. Submitting ABTC applications electronically will streamline the application process for ABTC applicants, making it more efficient to apply for an ABTC. Applicants from economies that do not have an existing form of online lodgement (the majority of APEC) will not have to rely on paper forms and postage. Online lodgement for ABTC holders is all the more important because frequent business travelers across the Asia-Pacific justifiably expect that online lodgement is the primary method of application available.

(6) Compiling and refining standardized, centralized FAQs to provide general information on the ABTC scheme.

Section IV: Expanding Regulatory Cooperation and Advancing Regulatory Coherence

Highlights:

Promoting APEC Regulatory Cooperation Advancement Mechanism on Trade Related Standards and Technical Regulations (ARCAM)

- CTI's key contributions to regulatory convergence and cooperation continue to be through the implementation of the APEC Regulatory Cooperation Advancement Mechanism on Trade Related Standards and Technical Regulations (ARCAM), established by Ministers in November 2010. Since the inception of the ARCAM process in 2010, CTI has addressed the issues of interoperability standards for Smart Grid (2011), self-regulation in advertising (2012), and electric vehicle standards (2014). For 2016, CTI agreed to select sustainable materials management (SMM) as a topic for the 4th ARCAM dialogue.
- SMM is a systemic approach to using and reusing materials more productively over their entire lifecycles, from the point of resource extraction through material recycling or final disposal, to reduce environmental impacts, conserve resources, and reduce costs. Whereas APEC has achieved considerable progress in tariff reduction of environmental goods, SMM will add to APEC'S efforts to address investment and services issues in the environmental sector through improving regulatory coherence among APEC economies.
- In May 2016, as a first step of the related work under ARCAM, the United States as lead economy, launched an APEC-wide survey to collect more information on APEC members' regulatory and/or official definitions for key SMM-related terms. The 4th ARCAM Dialogue on Facilitating Trade and Investment in Sustainable Materials Management Solutions was held on 17 August in Lima, Peru in the margins of SOM3, attended by regulators, industry representatives, and other key stakeholders. The dialogue included issues such as the updates of the survey results, where gaps and divergences in APEC member economies' definitions of key SMM terms were observed including in waste and renewable energy, and that there is an opportunity to coordinate among member economies to better align those definitions to promote trade and investment in SMM solutions and services which in addition to spurring economic growth will also help to reduce marine litter among other tourism, environmental, and health benefits. In addition, discussions touched upon regulatory aspects including the importance of transparency of regulations, coordination among authorities, partnership with private sectors in promoting trade and investment in SMM solutions and technologies.
- On the basis of the discussions conducted in the 4th ARCAM Dialogue, a draft report was submitted intersessionally in November for further discussions, including the results of the survey on economy-level definitions of key SMM-related terms as well as possible guidelines and future activities to ensure that definitions evolve in a way that promotes trade and investment in SMM solutions.

- On other issues related to previous ARCAM topics, CTI contributed to the implementation of the APEC Action Agenda on Advertising Standards and Practices Development endorsed by Leaders in 2014 to promote alignment of advertising standards and reduce the cost of doing business across the region. On 22-23 August, Peru held a self-funded *APEC Seminar on Sharing Good Practices and Experiences on Advertising Self-regulation among APEC economies* in Lima, Peru in the margins of SOM3, where presentations and discussions on effective self-regulations on advertising and the government's role took place.
- On the issue of Electric Vehicle Standards, responding to the instruction by Ministers in 2014, the APEC Roadmap for Electric Vehicles had been finalized and agreed upon by the AD and CTI in 2015. The APEC Roadmap for Electric Vehicles sets out the timeline of work for producing an outcomes report by the end of 2017 to address divergent EV regulations which may constrain the market potential for increased trade in electric vehicles (EVs) among APEC economies and its possible contribution to the realization of low carbon economy.
- The first workshop on the implementation of the Electric Vehicles Roadmap was led by the AD and held back-to-back with the 25th AD meeting in September 2016. The workshop focused on regulations and standards harmonization in this area. It was concluded that due to the variety of issues and market differences, the answers will not always be the same, although there are opportunities to further align approaches and narrow divergence. There was a strong support for work to align regulatory approaches. More opportunities can be sought in recycling, cybersecurity, fire and water safety, and infrastructure interoperability. Further discussion will take place in the next workshop regarding the role and content of a proposed interoperability center, including how it might lead to increased regional convergence. The work needs to include consideration of 2-wheeled and 3-wheeled vehicles. The next workshop will be held in 2017.

Promoting alignment of standards and conformance and regulatory coherence

- SCSC continued to explore means of enhancing regulatory practices in the APEC region and undertook a number of initiatives in the areas of transparency, alignment of standards and conformity assessment systems, as well as good regulatory practice through capacity building and cross-fora cooperation, including with the EC and SMEWG. The TOR of SCSC stipulates its objective as to help reduce the negative effects that differing standards and conformance arrangements have on trade and investment flows in the Asia-Pacific region. In this way, the SCSC assists CTI to achieve APEC's trade and investment liberalization and facilitation through improved standards and conformance.
- SCSC continued the work on alignment with international standards through implementation of the Voluntary Action Plan (VAP) Alignment Work and exchange of information at SCSC meetings. VAP alignment work with current target standards will continue until 2018. SCSC also implemented projects focusing on such areas as good regulatory practices; baseline study; green buildings; energy efficiency regulations for ICT products; energy saving measurement and verification; and supporting SMEs. Economies continued to share information on the progress of their technical infrastructure development including standards education programs such as Standard Olympiad.

- SCSC continued to implement the APEC Electrical and Electronic Equipment Mutual Recognition Arrangement (EEMRA), with participating economies sharing information of implementation status. The 21st Joint Regulatory Advisory Committee (JRAC) was held in the margin of SCSC2 with the attendances of the International Electrotechnical Commission (IEC) and ASEAN.
- The EC – SCSC 9th Conference on Good Regulatory Practices (GRP) was held under EC in the margin of SOM3. The scope of the project was to promote the implementation and adoption of GRP which are being implemented by APEC member economies and to share experiences on the following topics: (1) building high level support for regulatory reform, (2) International Regulatory Cooperation (IRC), (3) Stakeholder engagement, (4) benchmarking on GRP, (5) simplification strategies and (6) GRP and inclusive growth. The EC Chair and PO shared its results with SCSC members at SCSC2; the 10 Conference is to be organized by SCSC in 2017.
- On food safety, SCSC implemented a suite of projects under the Food Safety Cooperation Forum (FSCF) and its Partnership Training Institute Network (PTIN) to promote the role of science-based regulations in improving food safety and ensuring predictability and transparency in agri-food trade in the APEC region, including an industry/regulator roundtable on better food safety regulation through increased transparency and public consultation and a self-funded project to help guide food processing facilities and workers on the most effective hand hygiene protocol. In 2017, the FSCF will continue work on improving hand hygiene in accordance with the endorsed report including examining international guidances, identifying best practices and next steps. The FSCF will also continue to advance the export certificate regulatory roadmap, work on proficiency testing, and hold a dialogue on modernizing food safety control systems.
- As part of an effort to address issues related to NTMs of trade in wines, the Wine Regulatory Forum under SCSC, achieved very significant goal in May 2016. The APEC Model Wine Export Certificate was endorsed at SOM2 following discussions at SCSC and CTI. The APEC Model Wine Certificate intends to facilitate wine trade in the APEC region through providing a tool for standardizing the certificates across the APEC region through its voluntary implementation, and hence will enable regulators to shift scarce resources currently used to review and stamp wine certificates to higher risk food products. Widespread use of the certificate is expected to provide similar efficiencies throughout the APEC region benefiting current trade, but also providing future benefits for economies just beginning to export wine. Ministers for Trade Statement in 2016 welcomed its endorsement as “We congratulate the SCSC Wine Regulatory Forum (WRF) for fulfilling its goal to develop a consolidated APEC wine certificate, which will facilitate wine trade in the APEC region. We look forward to continued work by the WRF to promote reduction and elimination of technical barriers for wine trade including through its efforts to promote good regulatory practices for wine through voluntary implementation of the APEC Model Wine Certificate.”
- SCSC continued working with Specialist Regional Bodies (SRBs) which are expert regional bodies responsible for the development of standards and conformance infrastructure in the Asia-Pacific.
- SCSC convened the First Policy Discussion at SCSC2 in 2016. SCSC members voluntarily shared experiences on challenges being faced in the area of standards and conformance. The members have selected the topics to be discussed in advance and shared the possible questions prior to the meeting in the areas of Non-conforming/Non-compliant Products, Standards Implementation in MSMEs, Technical Regulations, Conformity Assessment, Quality

Infrastructure, and Accessibility of Standards Documents. The Second Policy Discussion is to be conducted in 2017.

- Chemical Dialogue (CD)'s primary successes in recent years have related to the promotion of best practices and regulatory cooperation in chemicals, including the endorsement by Ministers Responsible for Trade of the CD's Best Practice Principles in May 2016. CD's 2016 work program continued to progress its leading role in promoting regulatory cooperation in the chemical sector, including by the following:

(1) Endorsed a Best Practice Principles Checklist, which was subsequently endorsed by Ministers Responsible for Trade, to promote implementation of the CD's Best Practice Principles for Chemical Regulation, and agreed to prepare economy implementation reports in 2017;

(2) Agreed for member economies to provide written comments on the draft press release (2016/SOM3/CD/004att1) reflecting the endorsement of the Best Practice Principles Checklist;

(3) Continued implementation of the self-funded beta site project undertaken by the CD's joint virtual working group on marine debris with the Oceans and Fisheries Working Group;

(4) Agreed that the VWGRCC would undertake to update the CD website and encouraged economies interested in assisting in this work to identify themselves to the VWGRCC Co-Chairs;

(5) Welcomed the report of its Regulators' Forum on its implementation of its 2016-2017 Action Plan and encouraged economies to actively participate in the Regulators' Forum work intersessionally;

(6) Convened a workshop on the Globally Harmonized System for the Classification and Labeling of Chemicals ("GHS") to promote capacity building and to address divergences in GHS implementation in response to a request from APEC Ministers in November 2015;

(7) Agreed to an updated reporting timeline for the preparation of GHS implementation reports to be submitted to Ministers Responsible for Trade in 2017 and developed a revised Smart Form to help facilitate increased submissions;

(8) Continuing to promote and expand the GHS Resource Exchange and Tool ("G.R.E.A.T.") website hosted by Chinese Taipei;

(9) Contributed to the CTI's ARCAM workshop relating to identifying and overcoming barriers to the deployment of technologies for sustainable solid waste management infrastructure; and

(10) Initiated a project with the Sub-Committee on Customs Procedures (SCCP) regarding information sharing and potential follow-up steps to address unnecessary diverges in approaches and treatment for the importation of chemicals.

- LSIF's Regulatory Harmonization Steering Committee (RHSC) continued to carry out the following work:

The *APEC Harmonization Center (AHC)* will provide support for a maximum of two Center of Excellence (CoE) pilot programs for any one given institution, in efforts to encourage the

establishment of new APEC training institutions. Priority for AHC support will be given to new training institutions and to those training on new topics within the APEC RHSC Priority Work Areas (PWAs). AHC will survey topics of interest to the RHSC, with the assistance of PhRMA and BIO industry coalitions and COFEPRIS. AHC will host a teleconference for RHSC members in November 2016, to discuss requests received for AHC support.

Multi Regional Clinical Trials and Good Clinical Practices Inspection Roadmap: PMDA will host a pilot CoE program in January 2017, as well as a symposium to review the outcomes of the PMDA, Duke-NUS and Peking University (PKU) pilot programs which were held earlier this year.. The symposium is designed to assess the degree of convergence in the region and to revise the curriculum, if needed, based upon the outcomes and discussion. A second pilot program at PKU in summer 2017 was endorsed. Both Duke-NUS and PKU requested information to become RHSC-endorsed CoEs.

Biotherapeutics Roadmap: CoE Pilot Programs for APEC regulators were held at Northeastern University in September and at Seoul National University in November. Outcomes will be assessed by the end of 2016 to update the roadmap and CoE biotherapeutics curriculum..

Good Registration Management Roadmap: Good Review Practices and Good Submission Practices have been merged into one roadmap – Good Registration Management, with Japan as co-Champion with Chinese Taipei. JPMA circulated a revised Good Submission Guideline to the RHSC in April, which was endorsed intersessionally. RAPS hosted a CoE Pilot Program for experienced regulators and industry, in Chinese Taipei November 2016. COFEPRIS presented a proposal to host a CoE Pilot Program in late 2016/early 2017. This was endorsed by the RHSC.

Cell and Tissue-based Therapies Roadmap: A CoE Pilot Program at Duke-NUS in early 2017 was endorsed. AHC support will be sought. An Industry Coalition for Advanced Therapies was endorsed. A representative from the Alliance for Regenerative Medicine will be invited to participate in the RHSC. Singapore has circulated a survey on standards relevant to cellular therapy products earlier this year, and is still awaiting responses in order to complete gap analysis. All RHSC regulators are encouraged to respond as soon as possible, as this information will be used for the CoE Pilot.

Pharmacovigilance and Medical Device Vigilance Roadmap: The RHSC endorsed the merged Pharmacovigilance and Medical Device Vigilance roadmap. RHSC endorsed Korea to conduct a Pharmacovigilance CoE Pilot Program and workshop in September 2016 hosted by KIDS in Seoul. The format will be a one day workshop for industry, academia and regulators, and then a 3-day CoE Pilot Program. RHSC endorsed a medical device workshop to be held in Seoul in September 2016, to discuss a gap analysis in the region. MFDS will share the 2016 CoE Pilot Program curriculum with PMDA Japan. MFDS and HSA will discuss whether advanced therapies can be included in the Pharmacovigilance Roadmap.

Global Supply Chain Integrity Roadmap & Workshop: Work in the 10 work streams is almost complete. The final work product, a “Roadmap for Supply Chain Security,” will weave together work products from each of the 10 work groups and respective toolkits into one comprehensive document that the group will deliver to the RHSC before SOM-1 2017. The United States Pharmacopeia presented a proposal for a CoE Pilot Program on Quality Standards and Implementation, to be held in the US in early 2017. This was endorsed by the RHSC. An ABAC-

LSIF Pharmaceutical Serialization and Verification Workshop was hosted by the Philippines in October 2016. APEC regulatory authorities, RHSC members, and guests were invited to attend.

Strengthening of Cross-border Data Privacy Rules

- ECSG continues to implement the APEC Cross-Border Privacy Enforcement Arrangement (CPEA), which is the first multilateral arrangement in the APEC region for Privacy Enforcement Agents (PEAs) to share information and provide assistance for cross-border data privacy enforcement. The CPEA signifies the ongoing commitment within APEC to increase the protection of cross-border flows of personal information and is a significant step in the effective implementation of the APEC Privacy Framework. To date, 25 PEAs from 10 member economies are participating in the CPEA. Cooperation has expanded beyond APEC through the sharing of the APEC directory of economy enforcement contact points with the OECD and the Global Privacy Enforcement Network (GPEN).
- The APEC Cross Border Privacy Rules System (CBPR), endorsed by APEC Leaders in 2011, welcomed two new members, with the entry of Canada and Japan in April 2015 and February 2016 respectively. The CBPR system enables flows of information and data across borders while at the same time providing effective protection for personal information, essential to trust and confidence in the online marketplace. Currently four APEC economies are participating in the APEC CBPR system (United States, Mexico, Japan and Canada).
- The APEC Privacy Recognition for Processors System (PRP) was endorsed by Senior Officials in 2015. The PRP is designed to help personal information processors assist controllers in complying with relevant privacy obligations, and helps controllers identify qualified and accountable processors. This is done through an intake questionnaire which sets forth the baseline requirements of the PRP. The APEC-recognized Accountability Agent will then assess a processor seeking recognition based on a set of requirements.
- In line with the APEC Leaders' Statement in 2011 to implement the APEC CBPR system to reduce barriers to information flows, enhance consumer privacy, and promote interoperability across regional data privacy regimes, the ECSG has conducted research and capacity building workshops to train member economies on aligning their domestic legal regimes with the APEC Privacy Framework and meeting the CBPR requirements in Australia, Singapore and Viet Nam in 2015-2016.
- The APEC/EU Working Team, which was created to support and enhance interoperability between the APEC and EU data privacy regimes, is undertaking additional areas of work, including, in the short to medium term, developing a joint application form for companies seeking privacy certification under both systems, a mapping of policies, and documents that are to be submitted under both systems and in the longer term, a common referential for processor recognition. The joint APEC-EU Working Team held discussions with private sector stakeholders who provided views and advice on the functionalities and important elements of a common questionnaire. The Working Committee is currently continuing work in developing this common questionnaire.
- ECSG is undertaking an assessment of its initiatives against the 1998 APEC Blueprint for Action on E-Commerce. Its Data Privacy Sub-Group (DPS) has completed the review of the APEC Privacy Framework based on the 2013 revisions of the OECD Guidelines on the Protection of Privacy

and Transborder Flows of Personal Data. The updates on the APEC Privacy Framework will help ensure that the Framework can continue to respond to technological and marketplace evolution, and support the free flow of information across borders through the establishment of consistent rules for the protection for personal information, as essential to trust and confidence in the online market place.

Section V: Promoting Innovative Development, Economic Reform

Highlights:

Application of Emerging Technologies

- Chinese Taipei proposed at CTI2 a self-funded project on *Advancing Big Data Applications in Trade* with the aim of sharing among APEC member economies practices and experiences on applications of big data in international trade, bearing in mind that application of big data combined with the latest technology may have a potential of significantly enhancing the decision-making process in trade-related areas and other possible benefits such as enhancing the international marketing ability of MSMEs. CTI discussed and endorsed the project. The workshop was held on 6 October in Taipei, Chinese Taipei, which was attended by 122 participants from 19 APEC economies. The workshop focused on the utilization of Big Data in international trade and identification of new trade opportunities for MSMEs. It was suggested that APEC should continue to collect case studies on big data applications, and that APEC member economies could cooperate with each other to strengthen the success of big data in trade promotion and facilitation, as well as the advancement of global value chains. It was also suggested that relevant APEC fora can work together to promote big data applications.
- ECSG also commenced discussions on new issues to (1) identify opportunities for enhanced trade through emerging technologies; (2) support best practices for regulating emerging technologies and data to ensure those technologies and flows are not inhibited without legitimate purpose; and (3) engage in outreach to economies looking to utilize emerging technologies and support enhanced data flows among economies in APEC. At SOM1, 2016, the ECSG established a study group on big data portability to research and identify trends in big data portability to promote interoperability across platforms and the protection of personal information. At SOM3, 2016, the ECSG endorsed the establishment of a joint virtual working group with the LSIF in the development of an *APEC Framework for the Secondary Use of Medical Data and Medical Research*. The ECSG is also considering implementing a series of new joint-APEC fora initiatives, including partnership with EPWG on issues related to natural disasters, information flows and privacy, and a proposed Big Data Innovation Virtual Working Group to discuss big data innovation in APEC.

Intellectual Property Rights

- IPEG has been working on different elemental axes for intellectual property issues nowadays. Intellectual property in the online world has brought to light new opportunities and challenges, which is why IPEG has dedicated part of its discussions to enforcement, facilitation of rights, awareness tools, information sharing, and transparency in the digital era.
- Another important line of work has been the sharing of best practices and information on regulatory initiatives and updates in the region, development of examination tools, activities for boosting the usage of the international IP system, perspectives on geographical indications, as well as in genetic resources and traditional knowledge.

- In addition, IPEG has paid special attention to human capital development, sharing initiatives on capacity building and technical cooperation not only for public awareness, but also for the improvement of procedures and quality of granted patents and trademark registrations as well as industrial designs and appellations of origin.
- Pursuant to the Ministers' Joint Statement in 2015 to "welcome the progress towards developing the APEC Best Practices in Trade Secrets Protection and Enforcement and encourage officials to continue the work and to complete it on the basis of consensus at the earliest possible time", IPEG discussed and agreed to the *Best Practices in Trade Secret Protection and Enforcement Against Misappropriation*. It was subsequently endorsed by CTI and Senior Officials at SOM3. Recognizing the pro-innovation and pro-investment effect of trade secret protection and enforcement, and that MSMEs may especially be affected by its misappropriation, the *Best Practices in Trade Secret Protection and Enforcement Against Misappropriation* sets out eight elements of best practices that APEC economies are recommended to take into account on a non-binding and voluntary basis when developing their policy on trade secret protection and enforcement.

Section VI: Industry Dialogues, Collective Actions and Pathfinder Initiatives

Industry Dialogues

Automotive Dialogue

- The AD continued its work in 2016 on an agenda that includes both CTI's priorities and the automotive industry's pressing issues and development trends, focusing on SMEs' role in the industry, Electric Vehicles, New Energy Vehicles (NEVs) and automotive markets in the region. The AD is a public-private body in which regulators and producers collaborate to reduce regulatory barriers and to promote trade in vehicles, parts, technologies and related products throughout the APEC region. The AD met twice in 2016, completed a range of tasks and set targets to continue its work on the improvement of the automotive industry and market in the APEC region.
- The AD has undertaken activities under the APEC Electric Vehicles Roadmap, aimed at facilitating the adoption and implementation of international standards pertaining to electric vehicles. The first workshop on the Electric Vehicles Roadmap was held back-to-back with the 25th AD meeting in September 2016.
- The AD continues its work on the Compendium of Automotive Taxation, aimed at promoting regional industry growth. The compendium will include different motor vehicle tax structures (purchase, possession, use and border), and incentives.
- The GVC/SME Automotive Sector (GSAS) Initiative led by Malaysia and the Philippines aims at identifying specific challenges faced by SMEs in integrating into GVCs and recommending practical solutions to overcome the challenges. A suite of GSAS activities composed of workshops and an analytical survey were undertaken in 2015 to identify more targeted and practical sector level analysis of the automotive industry and its GVCs. From the workshops and survey conducted, several impediments were identified that restricted developing economy SMEs from participating in GVCs: (1) lacking adequate standards or product quality and/or business capability; (2) lacking competitiveness to become an automotive GVC industry player; (3) lacking awareness/knowledge on GVCs; and (4) lacking ability to overcome non-tariff barriers (NTBs). The project will continue to be implemented further in 2017 through a workshop on these issues. Specifically, for the second phase of the GSAS project, the workshop will be organized: (1) to deliberate on outcomes of GSAS workshops and survey analysis completed in Phase 1; (2) to share best practices on solutions or programs to integrate SME suppliers into automotive GVCs; and (3) to discuss the elements of the multi-year APEC Regional Automotive Supplier Excellence Programme (RASEP) as mandated in the 2015 CTI Annual Report.
- AD also continuously updates the Compendium of Automotive Business Regimes in APEC, which aims at empowering APEC SMEs to penetrate the automotive GVCs through updated trends and knowledge on the automotive markets in the APEC region. The compendium is intended to be

an investment guide and contain useful information/data on individual member economies.

Chemical Dialogue

- CD serves as a forum for regulatory and policy officials and industry representatives to discuss and identify solutions to challenges facing the industry and downstream users throughout the Asia-Pacific region. APEC economies account for approximately 60% of global chemical trade, providing the CD with an important precedential role worldwide.
- At the CD's 17th meeting in Lima, Peru ("CD17"), the CD endorsed a revised version of its Strategic Framework to govern its work from 2017-2019. The revised Framework is organized around the following revised three Shared Goals:
 - (1) To facilitate trade by expanding and supporting regulatory cooperation and mutual recognition in the region;
 - (2) To promote understanding of the chemical industry's role as a provider of innovative solutions for sustainable economic, environmental, and social development; and
 - (3) To enable effective cooperation between industry and governments to improve chemical product stewardship and safe use.
- CD maintained a robust work stream including substantial contributions to CTI's priorities, primarily through promoting regulatory cooperation and collaborating with other APEC fora to progress APEC's priorities.
- In response to instructions from the Ministers Responsible for Trade in 2015, the Virtual Working Group (VWG) on the Globally Harmonized System for the Classification and Labeling of chemicals (GHS) undertook a benchmark survey of the divergence in GHS implementation across APEC economies. That survey confirmed on an APEC-wide basis, what the annual implementation reports had reported at an individual-economy level; APEC economies are implementing GHS differently – different hazard categories, revision numbers, classifications, cut-off values, etc. – undermining the benefits of a globally harmonized system.
- CD continued its efforts to promote the broader implementation of, and reduced divergences in, APEC member economy implementation of the GHS. CD submitted an annual report on GHS implementation status in APEC member economies to APEC MRT. This report underscores the importance of this work and the importance of APEC as a regional forum to maximize the trade and efficiency value and minimize the unnecessary costs of divergent implementation of the GHS.
- CD continued its active collaboration with the Oceans and Fisheries Working Group (OFWG) through its joint Virtual Working Group on Marine Debris which has also contributed to, and helped carry forward, the work of the SOM Friends of the Chair Initiative on Urbanization. CD worked with the Economic Committee (EC) by providing a presentation at the EC's Good Regulatory Practices conference regarding the stakeholder consultation process undertaken on chemical regulation in the United States; acted with SCCP by introducing a recently initiated workstream to address unintended non-tariff barriers to chemical importation and inviting participation by SCCP members. CD also provided a "regional" contribution to the 4th

International Conference on Chemicals Management (“ICCM-4”), under the auspices of the Strategic Approach to International Chemicals Management (“SAICM”), and developed a reporting template to promote steps to meet SAICM objectives by ICCM-5 in 2020; and supported the UN Sub-committee of Experts on the GHS (“UNSCEGHS”) by approving the informal sharing of the CD’s annual report on GHS with the UNSCEGHS, inviting the Chair of the UNSCEGHS to the CD’s workshop on GHS implementation, and agreeing to explore future paths to further collaborate.

- CD agreed to consider ways to leverage the projects to promote sharing information on chemicals in products along the supply chain –including chemSHERPA and other programs – more broadly within the region and in support of other CD work.

Life Sciences Innovation Forum

- LSIF collaborated with the Health Working Group (HWG) to organize the 6th APEC High-Level Meeting (HLM6) on Health & the Economy on 21-22 August. The meeting was chaired by the Minister of Health of Peru and organized jointly by the HWG and the LSIF. The overall objective of the meeting was to share and discuss perspectives and experiences prioritizing and financing investments in health and building innovative and efficient health systems to implement “Healthy Asia Pacific 2020 (HAP2020)” in support of the 2030 Sustainable Development Goals (SDGs). Both HAP2020 and the SDGs recognize that high impact investments in health systems yield tremendous benefits that help economies achieve their economic, social, and environmental goals.
- LSIF welcomed the Regional Program on Licensing and Basic Startup on Sep 21-22, Bangkok, Thailand, and also Special Topic Program on ‘Technology Start Up’ on Nov. 9-10, Seoul, Korea this year.
- LSIF together with the ECSG proposed the development of an *APEC Framework for the Secondary Use of Medical Data in Health and Medical Research*. The next steps include the establishment of a Virtual Working Group (VWG); to include health officials, data privacy officials, regulators, and private sector experts to develop a draft framework. A draft framework will be presented at SOM1, 2017 and submitted for endorsement by Ministers/Leaders in November 2017.
- LSIF welcomed the RHSC Chair’s summary on the following:(1) significant progress continues in all PWAs; (2) in-depth discussions on CoE concept resulted in endorsement of fundamental documents required to operationalize CoEs by early 2017; (3) RHSC continues moving forward in finalizing and launching a new, sustainable model for advancing regulatory convergence on a global scale; and (4) funding of CoE programs is a critical factor – full discussion on options expected at 2017 SOM1.
- LSIF welcomed the intention of Finance Ministers Process officials to have a substantive dialogue over the course of 2017 on ways to address the fiscal and economic impacts of ill health. APEC economies are asked to engage with and encourage participation of their respective Budget and Finance Officials.

- LSIF welcomed the launch of the APEC Digital Hub for Mental Health and endorsed the APEC Report on Strategic Needs in Mental Health following the submission of inputs in 2015-2016 from 15 member economies.
- LSIF welcomed the joint LSIF-HWG Cervical Cancer Workshop to be held on August 23rd and the forthcoming roadmap.
- LSIF welcomed progress of the APEC Blood Supply Chain Partnership Training Network (PTN) and looked forward to the outcomes of the 2nd APEC LSIF Blood Supply Chain Policy Forum and Training Program on Good Manufacturing Practices (GMP) in Ha Noi, Viet Nam in December 2016.
- LSIF welcomed APEC's work on preventing, detecting, and responding to infectious disease threats and looked forward to the outcomes of the APEC Policy Forum on strengthening surveillance and laboratory capacity to fight healthcare associated infections and associated antimicrobial resistance in the APEC region in December 2016 in Viet Nam.

Collective Action Plans

- Collective Action Plans (CAPs) continue to frame the work plans of CTI and its sub-fora. These CAPs are living documents and, in 2016, were revised and enhanced in pursuit of the Bogor Goals (see Appendix).
- Many of these improvements were made in response to priorities set by Leaders and Ministers, including the call to ensure deliverables in CAPs are relevant to business. The revised CAPs also increase the transparency of trade and investment policies, lower transaction costs of cross-border trade, stimulate competition, and result in greater certainty and predictability.

Pathfinder Initiatives

In 2016, lead economies continued their work on TILF-related Pathfinder initiatives.

Table: Status of TILF-Related Pathfinders

Pathfinder	Lead economy	APEC Forum responsible	Membership status - Sept 2004	Membership status
Trade and the Digital Economy	United States	N/A (launched at Leaders level; CTI has oversight)	18	20
Advance Passenger Information (API)	Australia	BMG	All agreed on API standards; 6 either fully implemented or committed to implementation; 8	All agreed on API standards; 16 either fully implemented or committed to implementation; 11 undertaken feasibility

			undertaken feasibility studies; 6 committed to undertaking feasibility studies.	studies.
Mutual Recognition Arrangement of Conformity Assessment on Electrical and Electronic Equipment	Participating Economies	SCSC	15 participating in Part I; 3 participating in Parts II & III.	18 participating in Part I; 5 participating in Part II; 4 participating in Part III.
Electronic Certificates of Origin	Korea and Chinese Taipei	ECSG	2	3 Chile, China, Malaysia Philippines, Thailand and Viet Nam have indicated an interest to join in the pathfinder.
Food MRA	Thailand	SCSC	5	5
Technology Choice Principles	United States	CTI	N/A (adopted in 2006)	15
Data Privacy	Australia, Canada, & United States	ECSG	N/A (adopted in 2007)	16
Self-Certification of Origin	Australia, New Zealand, Singapore & United States	CTI	N/A (adopted in 2009)	11
Facilitating Trade in Remanufactured Goods	Japan & United States	MAG	N/A (adopted in 2011)	13
APEC Baseline De Minimis Value	United States	CTI/SCCP	NA (adopted in 2011)	10

Section VII: Interaction with ABAC

CTI and its sub-fora collaborate with the business community to ensure that private sector perspectives contribute to APEC's trade and investment outcomes. In 2016, the Committee continued to engage with ABAC as the key voice of the business community in the APEC process. The CTI Chair attended two ABAC 2016 meetings to brief ABAC on the Committee's work programs and exchange views on issues of mutual interest. Senior representatives from ABAC also participated in meetings of the Committee and a number of its sub-fora. CTI welcomed their active participation.

During 2016, CTI and its sub-fora delivered outcomes consistent with ABAC's 2015 recommendations. The highlights include the following:

- ***To Support the Multilateral Trading System***
 - CTI and its sub-fora have continuously worked to support entry into force of the TFA by urging member economies to notify the WTO of their acceptance of the TFA as quickly as possible and through monitoring the progress.
- ***Enable a Free Trade Area of the Asia-Pacific***
 - The "Collective Strategic Study on Issues Related to the Realization of the FTAAP" and the accompanying Recommendations were finalized.
 - Progress has been made on information sharing including a series of Trade Policy Dialogues on FTAs/RTAs focused on WTO-Plus issues and a report on RTAs/FTAs prepared by PSU. A number of projects under the 2nd CBNI which aims at strengthening the capacity of officials to engage on topics covered under modern, comprehensive FTAs were conducted during 2016 and are being planned for 2017.
- ***Advance the New Services Agenda***
 - CTI contributed to the formulation of the "APEC Services Competitiveness Roadmap" through providing substantial inputs.
 - There was progress in discussions related to developing a services trade restrictiveness index (STRI) for APEC economies, including holding a capacity building workshop to nurture better understanding among APEC economies on the existing STRI of international organizations, and discussion of a proposal to advance this issue.
- ***Build and strengthen Global Value Chains***
 - A range of activities including workshops/seminars on GVCs under the "APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation" were conducted.
- ***Accelerate Investment Liberalization and Facilitation***

- Under the Investment Facilitation Action Plan (IFAP), designated economies reported on their state of implementation during 2015-2016 on three priority themes: e-transparency, reducing investor risk, and simplifying business regulation. The PSU will assess the outcomes of implementation to be reported at IEG1 in 2017.
- **Accelerate Green Growth**
 - “Detailed Implementation Plans” by each economy to implement the Leaders’ commitment of reducing tariffs on the 54 Environmental Goods List was compiled and published on the APEC website in January 2016. CTI has continuously monitored the progress of implementation of the commitment, urging economies that have not fully implemented the commitment to do so as early as possible.
 - Based on the Environmental Services Action Plan (ESAP) endorsed by Ministers in 2015 comprising actions to promote liberalization and facilitation of environmental services, a study on the regulatory situation in APEC economies for environmental services classified under CPC 94 was conducted by the PSU. Further work is anticipated in 2017 on a wider scope of environmental services.
 - Activities related to the APEC Cooperation Network on Green Supply Chain (GSCNET) were conducted, including the Annual Conference and Capacity Building Workshop which was held on 29 July in Tianjin.
 - Discussions were made on facilitating trade and investment in sustainable materials management (SMM) through the 4th ARCAM Dialogue held in the margins of SOM3.
- **Accelerate Infrastructure Development**
 - There was progress in 2016 on CTI work related to promoting infrastructure investment among APEC economies from the viewpoint of “quality of infrastructure”, people-centered investment, including a project with the Philippines under the “Peer Review and Capacity Building on APEC Infrastructure Development and Investment initiative”, and finalization of the “Study on Infrastructure Investment in the APEC Region”.
 - ABAC participated in the High Level Meeting on Overcoming Barriers to Financing Waste Management Systems to Prevent Marine Litter in the Asia-Pacific Region and plans to explore the topic of waste management in 2017 as part of the Asia-Pacific Infrastructure Partnership Initiative (APIP).
- **Strengthen Supply Chain Connectivity**
 - Final assessment of the Supply Chain Connectivity Framework Action Plan (SCFAP), which sets an APEC-wide goal of achieving a 10% improvement in supply chain performance in terms of reduction of time, cost, and uncertainty during 2010-2015, was carried out.
 - Based on the outcomes of the final assessment of SCFAP and the need to further address issues related to the improvement of supply chain performance, CTI discussed and finalized the “Supply Chain Connectivity Framework Action Plan Phase II” (SCFAP Phase II).
 - Progress was made on the five targeted capacity building projects in the Capacity Building Plan to Improve Supply Chain Performance through the APEC Supply Chain Connectivity sub-fund, i.e., (1) pre-arrival processing, (2) advance rulings, (3) expedited shipments, (4) release of goods, and (5) electronic payments.

- Two meetings of the APEC Alliance on Supply Chain Connectivity (A2C2) were held during 2016 and provided useful opportunities for public-private consultation with regard to reviewing the above-mentioned targeted capacity building projects and in advancing works related to further improving supply chain performance.
 - A number of pilot projects on the application of Global Data Standards (GDS) were implemented in 2016.
 - A targeted capacity building project on GDS provided technical assistance to some of the pilot projects. A PSU study to assess the costs and benefits of applying GDS to supply chains, based on the pilot projects, which is ongoing indicated some positive effects of application of GDS.
 - Progress of work has been made on the APEC Model E-Port Network, which aims to improve efficiency of participating ports through better application and interoperability of IC&T systems.
- **Promote the Digital and Internet Economy**
 - During 2016, two trade policy dialogues (TPD) on digital trade were held in order to gain common understanding of the current situation and characteristics of digital trade. A study on digital trade by PSU is also ongoing.
 - To further advance works on digital trade, CTI discussed and endorsed *Next Steps for Advancing work on Digital Trade in 2017* that includes continuing robust trade policy dialogues with industry and other stakeholders in 2017, development of a digital trade work program, sharing experiences and effective practices, and establishment of targeted capacity building programs to expand and promote digital trade in the region.
- **Develop the APEC Business Travel Card**
 - The APEC business community will be the ultimate beneficiary of the Online Lodgement project, as APEC-wide online lodgement of the ABTC will improve the accessibility of the card and further reduce the cost of doing business in the APEC region. Progress on the outcomes and impacts will be measured by the BMG after the project is completed in 2016 via an outcomes report at SOM1 2017.
- **Enhance the Internationalization of MSMEs**
 - Following 2015, a suite of activities related to SMEs' participation in GVCs was conducted in 2016 under the "APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation". This included sector-specific workshops (on textiles and agribusiness), as well as a workshop on SMEs' participation to GVCs held in the margins of SOM3 which integrates the outcomes of the workshops conducted during 2015-2016 on five major industries (agribusiness, textiles, IT, health care and autos). Based on the findings of the workshop, the "GVCs Policy Report" was agreed by CTI.
 - In addition to the current five major industries, CTI agreed to add service industries (software, tourism and logistics) to carry out work in promoting MSMEs' participation in these sectors.
 - Developing a compendium of APEC best practices, methodologies and successful stories on SMEs internationalization that serves to assist MSMEs to enter the global market was

proposed and agreed at the CTI, subject to further inputs by the SMEWG. As a result of further discussions, it was agreed that the CTI and the SMEWG will co-chair the initiative. Further works and coordination with the SMEWG to implement the initiative is expected in 2017.

- A work plan on *Promoting e-Commerce to Globalize MSMEs to support the Boracay Action Agenda* was agreed by CTI to identify and address barriers/difficulties faced by MSMEs to participate in e-commerce and develop a set of recommendation for capacity building planning.
 - A Supporting Industry Initiative was agreed by CTI to share policy experiences and to suggest best policies for supporting industries through developing a “supporting industry policy guideline” by the end of 2017, taking into account combining policy elements such as clustering, research and development (R&D), human resources development, business matching, improvement of trade and investment environment, and access to finance.
- ***Build Innovation and Value-Adding Activities in MSMEs***
 - During 2016, a number of projects which intend to improve capacities of MSMEs’ effective utilization of intellectual property rights has been proposed, discussed and implemented under the IPEG.
 - The *Best Practices in Trade Secret Protection and Enforcement Against Misappropriation* was endorsed by CTI and Senior Officials at SOM3, which serves as a non-binding, voluntary guidance for economies to develop policies recognizing the pro-innovation and pro-investment effect of trade secret protection and enforcement, and that MSMEs may especially be affected by its misappropriation.

Annex 1

Sub-fera Outcomes for 2016 CTI priorities

SUB-FORA	WORK UNDERTAKEN
<p>Market Access Group (MAG)</p>	<p><u>Support for the Multilateral Trading System</u></p> <p>In support of the Multilateral Trading System, MAG noted the progress made by economies including Mexico, Russia and Peru which have ratified the Agreement, while encouraging the remaining economies to expedite submission of their instrument of acceptance. MAG also commended Chile and Thailand for their efforts in reducing the tariff of APEC Environmental Goods List.</p> <p><u>Advancing Regional Economic Integration (REI)</u></p> <p>In enhancing regional connectivity and promoting trade facilitation, the APEC Trade Repository has incorporated information from all 21 Economies, with an average 2,000 hits per month. MAG continues to encourage members to update their information for the website.</p> <p>The United States led the discussion to on the initiative of <i>Increasing Transparency of Measures Affecting Exports</i> agreed last year under the recognition that information on a broad range of measures affecting exports available in one place will enhance transparency and reduce burdens for economic operators. Through discussions at MAG, a proposal was developed, where (1) export subsidies, (2) export duties and taxes, and (3) quantitative export restrictions applied on an MFN basis, will be the scope of measures to be reported, which will be provided through the APEC Trade Repository, a “one stop shop” to access trade-related measures established last year. CTI endorsed the initiative intersessionally.</p> <p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>In support of the Boracay Action Agenda (BAA) in globalizing MSMEs, MAG contributed its initiative on Information Gathering Exercise on Simplification of Documents and Procedures, Increasing Transparency of Measures Relating to Exports as well as the Pathfinder on Self-Certification for the stock-taking exercise.</p> <p>PSU has finalized the joint study with GOS on the Role of Services Trade in Global Value Chains (GVCs). The case studies involved the health and medical services in Malaysia, telecommunication sector in Australia and Papua New Guinea, as well as transport services in Chile.</p>

<p>Group on Services (GOS)</p>	<p><u>Advancing Regional Economic Integration (REI)</u></p> <p>GOS discussed its contributions to APEC Services Competitiveness Roadmap and agreed to work on its implementation as tasked by CTI/Senior Officials.</p> <p>The STAR Database (http://www.servicestradeforum.org/) has covered eight services sectors and all 21 APEC economies. The website has been redesigned to be more transparent and user-friendly and will assist business to identify measures that impact on trade and investment in the services sector more easily. Nonetheless, GOS has to resolve the issue of ensuring sustainable resources for the long-term maintenance of the website in order for it to continue serving as an important tool in facilitating trade liberalization on services.</p> <p>With the support from PSU, the joint study with MAG on the Role of Services Trade in Global Value Chains (GVCs). The case studies involved the health and medical services in Malaysia, telecommunication sector in Australia and Papua New Guinea, as well as transport services in Chile.</p> <p>Peru organised the Capacity Building Workshop on Negotiation of Services Chapters under FTAs with a Negative List Approach at the margins of SOM3 Meetings in Lima. The Workshop garnered active participation from 65 government officials and trade negotiators and enhanced their knowledge on among others, Cross-Border Trade on Services (CBTS) and recognizing common mistakes in the negative list approach in services chapters under FTAs.</p> <p>Australia has funded a Policy Dialogue on Sharing Economy, Services Trade and Global Production Value Chain in June 2016 which focused on exploring ways in which technology is changing methods of services delivery. The Dialogue concluded that technology is having a profound impact on business models through enhanced connectivity and the digitization of value which enable businesses to immediately access international market. APEC could take the lead in bringing together regulators in tackling the challenge of managing borderless services trade and digital economy.</p> <p>GOS also endorsed the draft Compendium of Policy and Regulatory Practices: Guiding Principles for Services Sectors, which is the final product of the Australia-led series of symposia on good policy and regulatory practices of 8 services sectors (accounting, legal, architectural and engineering, logistics and transport, telecommunications and ICT, mining and energy, financial and higher education services). The Compendium is aimed to support APEC's work on services beyond 2016 as a key resource for individual economies, regulators, policy makers and trade negotiators.</p>
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<p>Investment Experts Group (IEG)</p>	<p><u>Support for the Multilateral Trading System</u></p> <p>IEG continued to support Multilateral Trading System by: Discussions with external stakeholders such as OECD, UNCTAD and WEF in the areas of International Investment Agreements (IIAs) issues, IIA Reform and Investor-State Dispute Settlement (ISDS), which paved the way for the investment policy makers of each economies to take stock and utilize them in their home economies.</p> <p><u>Advancing Regional Economic Integration (REI)</u></p> <p>IEG continued to support REI in various ways/sectors/initiatives, namely:</p> <p>(1) First Investment Policy Dialogue on Approaches to Management of Foreign Investment: Sharing experience amongst APEC investment policy-makers and regulators (in the margin of IEG2 in 2016).</p> <p>(2) Investment Facilitation Action Plan (IFAP) 2015-2016;</p> <ul style="list-style-type: none"> - Based on the agreement by the members at IEG1, 2015, the members have nominated for specific actions (taken in 2015-2016) as “Implementing Economy” in three priority themes; E-transparency, Reducing investor risk and Simplifying business regulation. - As a result, 17 Implementing Economies (out of 21) were specified. 10 Implementing economies submitted their details of implementation (as of October 2016). - IEG Co-Convenors have requested PSU to assess the outcomes of discussions and reports by IEG members at IEG2 in 2016, based on this, PSU will target to submit the report at IEG 1 in 2017. <p>(3) Public Private Dialogue; Fostering SME Growth through Inclusive Business (IB). This self-funded project is an APEC study led by the Philippines, through the support of the ADB (starting from September 2016). The study shall illustrate the current state of IB models in selected APEC economies (market potentials, constraints and necessary policy instruments for an enabling environment), and adapt a framework to guide future work on IB under the APEC regional economic cooperation agenda. Results will be presented in IEG 1 APEC 2017, Viet Nam.</p> <p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>IEG continued to support Comprehensive Connectivity and Infrastructure by: “Guidebook on PPP Frameworks in APEC Region” has been published in 2015 as the Indonesia’s self-funded project. Up to now, it has been accessed 2135 times by public viewers. The Guidebook aims to compile and present a comprehensive overview of PPP schemes in infrastructure in APEC economies, as a starting point to facilitate potential APEC-wide investors and other parties who seek such information; to attract investors in setting up PPP projects in APEC economies; and to initiate a living database of PPP</p>
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	<p>guide in each APEC economy. Now the IEG is working on its updates by the initiative of Indonesia (as of October 2016), so that the Guidebook can be re-republished and reported at IEG1 in 2017.</p> <p><u>Promoting Innovative Development, Economic Reform</u></p> <p>IEG continued to support Promoting Innovative Development, Economic Reform by:</p> <p>Discussing with ABAC on the report on “RIAG Workshop on Indicator Based Investment Climate Assessment in APEC Economies” that has been endorsed by ABAC III in August 2016, which gave good values for the investment promoters of each economies to take stock and utilize them in their home economies in order to enhance the APEC investment environment.</p>
<p>Sub-Committee on Customs Procedures (SCCP)</p>	<p><u>Support for the Multilateral Trading System</u></p> <p>The SCCP members continued sharing information on work done for the implementation of the WTO TFA and stressed the importance of continuing capacity-building.</p> <p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p><i>(Chokepoint 8: Lack of regional cross-border customs transit arrangements)</i></p> <p>The SCCP endorsed the guidelines, in connection with Chokepoint 8, proposed by Chile, and reported the outcomes of the questionnaire to the implementation of the APEC Customs Transit Guidelines on Chokepoint 8, completed by 16 Member Economies, with the objective of making a general diagnostic of each one regarding to the implementation.</p> <p>Main results showed that (i) required documentation depends on what has been established in each FTA in regards to the provisions of the “direct consignment”; (ii) Economies do not reject the eligibility to apply for preferential tariff treatment only for the reason that the cargo was transhipped through a third party economy, as long as the consignment criteria provided for in the FTA/EPA or GSP are satisfied and the necessary documents are presented to Customs; (iii) the Implementation of the APEC Customs Transit Guidelines needs coordination and cooperation among multiple governmental agencies responsible for management on transit transport; (iv) the governmental agency, which is in charge of signing the agreement on transit goods with other countries, is other agency rather than customs.</p> <p>The SCCP will continue working intersessionally with the economies in order to define which of the future activities could be implemented: (a) collecting best practices; (b) organizing workshops; (c) considering providing technical assistance.</p>

	<p>The SCCP continued to contribute to the APEC Travel Facilitation Initiative. The SCCP will start working on a compilation of Annual TFI Progress Reports which will be submitted to SOM.</p> <p><i>(AEO)</i></p> <p>The Authorized Economic Operator (AEO) concept is one of the main building blocks within the World Customs Organization's SAFE Framework of Standards (SAFE) to support secure trade. Operators can be accredited by Customs as an AEO when they demonstrate high quality internal processes of a sufficient standard to prevent tampering of goods in international transport. This facilitates trade for low risk operators and ensures Customs can focus inspection resources on more high-risk parties.</p> <p>The SCCP is continuing to carry out capacity building for the economies that have not established the AEO program. The SCCP is also advancing the formulation of the minimum standards for AEO enterprises, including SMEs. Furthermore, SCCP is working on promoting AEO mutual recognition between member economies, and developing the benefit list of the AEO Mutual Recognition Arrangement (MRA) to further facilitate trade in the Asia-Pacific region.</p> <p>The APEC Policy Support Unit concluded the Study of APEC Best Practices in Authorized Economic Operator (AEO) Program, that updates the APEC Authorized Economic Operator (AEO) Compendium, assembled in 2010.</p> <p>This final report incorporates and addresses all relevant comments from member economies, and suggests ways to improve APEC AEO convergence and regional economic integration. The recommendations in this report should be viewed as a general guide for APEC economies to further discuss.</p> <p>Currently 17 APEC member economies have operational AEO programs in varying stages of development. Likewise, APEC member economies have concluded 37 MRAs; of those, 25 were between APEC members.</p> <p><i>(Single Window)</i></p> <p>Since 2007, SCCP has implemented ground-breaking work to establish Single Window systems for streamlining the export-import process via an online system that links all government agencies responsible for permits, certificates and fees.</p> <p>The SCCP conducted stock-taking surveys in 2010 and 2012. Two SW workshops took place in 2011 and 2012. Other APEC fora benefited from the SCCP work on SW, CTI, for example, took the findings in its Diagnostic Report for Chokepoint 4 in 2014.</p> <p>The SCCP will continue providing capacity building and technical support for member economies to establish and improve their individual Single Window with the least delay possible; and to realize interoperability of Single Window systems amongst APEC member economies.</p>
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	<p>To date, 15 APEC economies have implemented various stages of the Single Window system as a result of 2014 SCCP Single Window Survey.</p> <p><u>Expanding Regulatory Cooperation and Advancing Regulatory Coherence</u></p> <p>The SCCP Initiated a project with the Chemical Dialogue (CD) regarding information sharing and potential follow-up steps to address unnecessary diverges in approaches and treatment for the importation of chemicals</p> <p><u>Contributions to innovative development, economic reform and growth, in particular, APEC's Leaders' growth strategy growth</u></p> <p><i>(Intellectual Property Protection)</i></p> <p>The SCCP endorsed the APEC Guidelines for Customs Border Enforcement of Counterfeiting and Piracy in 2011, conducted in 2011, 2013 and 2014 the SCCP IPR Check Sheet Survey; likewise, held an IPR Regional Workshop in 2014.</p> <p>It has also conducted IPR Border - Mutual Enforcement Operation, on counterfeit different items and border protection in order to protect consumers and Economies in cross-border trade.</p> <p>Currently the SCCP is working on increasing technical exchange and experience sharing among members, and improving law enforcement capacity on Intellectual Property Rights (IPR) border protection for Customs of member economies. The SCCP is also working on setting up a long-term mechanism for research and training on IPR border protection</p> <p><i>(Cross-border E-Commerce)</i></p> <p>The SCCP endorsed the Improvements in Customs Control on Cross-border E-commerce as a new item in the Collective Action Plan, in order to increase awareness of the opportunities and challenges brought by cross-border E-commerce, to share information and increase knowledge among APEC economies about laws, regulations, supervision and risk indicators on cross-border e-commerce in order to draft recommendations, and to create an action plan for cross-border e-commerce in APEC to strengthen the cooperation among member customs.</p> <p>The SCCP conducted and analyzed the Survey on APEC Cross-border E-commerce, which summarized the status quo of law and legislation, supervision and control, law enforcement activities in APEC region with regard to cross-border e-commerce, and held a workshop on cross-border e-commerce in 2015.</p> <p>The SCCP is working to increase awareness of risk control in e-commerce in the APEC Customs community and to promote cooperation with the business community by elevating the level of information exchange on best practices. SCCP is also strengthening cooperation between APEC economies and the</p>
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	<p>private sector, encouraging self-discipline and compliance from the private sector, and establishing safe and efficient order on cross-border e-commerce in order to promote trade and economic development in APEC.</p>
<p>Sub-Committee on Standards and Conformance (SCSC)</p>	<p><u>Support for the Multilateral Trading System</u></p> <p>SCSC continued to support Multilateral Trading System in various ways/projects/initiatives, namely:</p> <ol style="list-style-type: none"> (1) Voluntary Action Plan (VAP) Alignment Work to achieve alignment of member economies' national standards with international standards (by Japan). (2) Supporting the implementation of the WTO Agreements on Trade Facilitation (TFA), Sanitary and Phytosanitary (SPS) measures and Technical Barriers to Trade (TBT); under the WTO's TBT and SPS Agreement, some members' (namely Japan and China) contributions to WTO TBT committees and WTO SPS committees. <p><u>Advancing Regional Economic Integration (REI)</u></p> <p>SCSC continued to support REI in various ways/projects/initiatives, namely:</p> <ol style="list-style-type: none"> (1) APEC Model Wine Export Certificate to address issues on non-tariff measures (NTMs). (2) Relevant projects such as "Facilitating Trade in Information and Communications Technologies (ICT) Products through Encouragement of Electronic Labeling Best Practices" (US); also newly approved concept note in Project Session 2, 2016 (starting 2017) is expected to contribute to this area; "Facilitating Trade through the Strengthening of Food Safety Emergency Systems of APEC economies" (Chile). (3) Works on MSMEs through projects such as "Supporting Micro, Small and Medium Enterprises (MSMEs) Trade Facilitation through Standardization Activities" (Peru) and "Capacity Building on Antibacterial Products and Materials and their Evaluation Test Method for Modernization of MSMEs in APEC Region" (Japan). (4) Active participation to Boracay Action Agenda (BAA). <p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>SCSC continued to support Comprehensive Connectivity and Infrastructure in various ways/projects/initiatives, namely:</p> <ol style="list-style-type: none"> (1) Support for technical infrastructure development through standards education programs such as Standard Olympiad (by Korea and Peru) or the project "Capacity-building and Awareness Project on Enhancement of Total Environmental Efficiency (Energy/ Carbon and Material Efficiency) through MFCA, ISO 14051" (Japan).

- (2) Relevant ongoing projects; “Aligning Energy Efficiency Regulations for ICT Products – Implementing a Strategic Approach” (US), “11th Conference on Standards and Conformance” (Peru), “Best Practices Sharing and Technical Capacity Building for Measurement and Verification Standards of Energy Savings” (China) and “The Role of Standards and Innovation in Driving APEC’s Silver Economy” (New Zealand).

Expanding Regulatory Cooperation and Advancing Regulatory Coherence

SCSC continued to support Regulatory Cooperation and Advancing Regulatory Coherence in various ways/projects/initiatives, namely:

- (1) APEC Model Wine Export Certificate (by initiative of APEC Wine Regulatory Forum, Multi Year Project) was adopted in SOM2, 2016; The Certificate intends to facilitate wine trade in the APEC region through providing a tool for standardizing the certificates across the APEC region through its voluntary implementation, and to promote reduction and elimination of technical barriers for wine trade. CTI and Senior Officials endorsed the APEC Model Wine Certificate, which was welcomed by Ministers Responsible for Trade in May 2016.
- (2) First Policy Discussion (at SCSC2 in 2016) in the area of Non-conforming/Non-compliant Products, Standards Implementation in MSMEs, Technical Regulations, Conformity Assessment, Quality Infrastructure and Accessibility of Standards Documents.
- (3) EC – SCSC 9th Conference on Good Regulatory Practices (GRP)
- (4) Various works by Food Security Cooperation Forum (FSCF)/Partnership Training Institute Network (PTIN), including:
- (i) the implementation of APEC funded projects on
 - Building Convergence in Food Safety Standards and Regulatory Systems* (US Multi Year Project),
 - Regional Workshop on Measurement and Standards for Grain Food Safety and Free Trade* (China),
 - Towards a Robust Food Safety System in the APEC Region through Regulatory and Public-Private Cooperation* (China),
 - (ii) an industry/regulator roundtable on better food safety regulation through increased transparency and public consultation,
 - (iii) self-funded project such as *Improving Food Safety through Hand Washing and Drying Capacity* (US) to help guide food processing facilities and workers on the most effective hand hygiene protocol.
- In 2017, the FSCF will continue work on improving hand hygiene in accordance with the endorsed report including examining international guidances, identifying best practices and next steps.
- The FSCF will also continue to advance the export certificate regulatory roadmap, work on proficiency testing, and hold a dialogue on modernizing food safety control systems.

	<p>(5) APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment, by sharing information of implementation status with the participation members of Joint Regulatory Advisory Committee on Electrical and Electronic Equipment (JRAC). 21st JRAC meeting was held in the margin of SCSC2 with the attendances of International Electrotechnical Commission (IEC) and ASEAN.</p> <p>(6) Specialist Regional Bodies (SRBs supports APEC priorities by:</p> <ul style="list-style-type: none"> - Strategic approach to developing regional measurement capabilities to support, e.g. trade and innovation and address societal needs in: Energy Efficiency, Food Safety, Climate Change, Medical Metrology. - Review of global Mutual Recognition Arrangement in measurement (CIPM MRA) to improve its efficiency and effectiveness and increase its impact on stakeholders (e.g. government, industry, etc.) in, for example, reducing TBTs.
<p>Intellectual Property Rights Experts Group (IPEG)</p>	<p><u>Advancing Regional Economic Integration (REI)</u></p> <p><i>(Supporting MSMEs internationalization)</i></p> <p>During 2016, the Intellectual Property Expert's Group (IPEG) has implemented and discussed a number of projects which intend to improve capacities of MSMEs' effective utilization of intellectual property rights, including the following:</p> <p>An APEC-funded project to develop a <i>Guidebook for SMEs' IP-Business Cycle</i>, which started in 2015, continued to be implemented during 2016. The Guidebook will be finalized early next year.</p> <p>IPEG discussed the following projects which were approved as APEC-funded projects: (1) SMEs Innovation: Capacity Building on IP Strategy; (2) Promoting Innovation through a Mechanism for IP Valuation, Financing and Leveraging IP Assets; and (3) Best Practices on Brand Development and IP Protection for Micro, Small and Medium Enterprises (MSMEs).</p> <p><u>Promoting Innovative Development, Economic Reform</u></p> <p>IPEG has been working on different elemental axes for intellectual property issues nowadays. Intellectual property in the online world has brought to light new opportunities and challenges, which is why IPEG has dedicated part of its discussions to enforcement, facilitation of rights, awareness tools, information sharing, and transparency in the digital era.</p> <p>Another important line of work has been the sharing of best practices and information on regulatory initiatives and updates in the region, development of examination tools, activities for boosting the usage of the international IP system, perspectives on geographical indications, as well as in genetic resources and traditional knowledge.</p>

	<p>In addition, IPEG has paid special attention to human capital development, sharing initiatives on capacity building and technical cooperation not only for public awareness, but also for the improvement of procedures and quality of granted patents and trademark registrations as well as industrial designs and appellations of origin.</p> <p>Pursuant to the Ministers' Joint Statement in 2015 to "welcome the progress towards developing the APEC Best Practices in Trade Secrets Protection and Enforcement and encourage officials to continue the work and to complete it on the basis of consensus at the earliest possible time", IPEG discussed and agreed to the <i>Best Practices in Trade Secret Protection and Enforcement Against Misappropriation</i>. It was subsequently endorsed by CTI and Senior Officials at SOM3. Recognizing the pro-innovation and pro-investment effect of trade secret protection and enforcement, and that MSMEs may especially be affected by its misappropriation, the <i>Best Practices in Trade Secret Protection and Enforcement Against Misappropriation</i> sets out eight elements of best practices that APEC economies are recommended to take into account on a non-binding and voluntary basis when developing their policy on trade secret protection and enforcement.</p>
<p>Business Mobility Group (BMG)</p>	<p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>The Business Mobility Group (BMG) pursued the following key actions designed to advance mobility of business travelers:</p> <ol style="list-style-type: none"> (1) Implementing the extension of the validity period of the APEC Business Travel Card (ABTC) from three years to a maximum five years with effect from 1 September 2015; (2) Scoping and providing technical assistance to members to improve ABTC pre-clearance processing times; <p>There has been continued growth in the take-up of the APEC Business Travel Card (ABTC) in the past year. As at 1 June 2016, there are 203,386 ABTC holders across APEC, where the number of ABTC cardholders increased by 8% compared to last year. BMG also undertook several initiatives and projects on improving client service frameworks, increasing travel security, as well as enhancing traveler facilitation and border integrity in the APEC Region.</p> <ol style="list-style-type: none"> (5) Overseeing the APEC-funded project for an End-to-End Review of the ABTC Scheme, which will recommend to the BMG opportunities for enhancement of the Scheme; (6) Implementing enhancements to better manage passport changes of ABTC holders; (7) Overseeing the APEC-funded project for an Online Lodgement System Workshop for the ABTC scheme;

	<p>The priority of online lodgement was strongly endorsed by the BMG's Online Lodgement Working Group (group of 5 + 1: Australia, China, Singapore, Thailand, the Philippines and Canada) as well as at the BMG Plenary meeting at SOM1 2016 – with online lodgement forming a key objective in the BMG's Goals for 2016. The Online Lodgement System Design Workshop will be held in Canberra, Australia on 16-18 November 2016. The systems design workshop will holistically consider the requirements of all economies, to provide the means for applicants to submit an application for an ABTC and, once approved by their home economy, for information to be automatically uploaded into the ABTC system. Submitting ABTC applications electronically will streamline the application process for ABTC applicants, making it more efficient to apply for an ABTC. Applicants from economies that do not have an existing form of online lodgement (the majority of APEC) will not have to rely on paper forms and postage. Online lodgement for ABTC holders is all the more important because frequent business travelers across the Asia-Pacific justifiably expect that online lodgement is the primary method of application available.</p> <p>(8) Compiling and refining standardized, centralized FAQs to provide general information on the ABTC scheme.</p>
<p>Electronic Commerce Steering Group (ECSG)</p>	<p><u>Advancing Regional Economic Integration (REI)</u></p> <p><i>(Supporting MSMEs internationalization)</i></p> <p>Under the auspices of the ECSG, a two-day workshop on <i>E-Commerce for Inclusion and Competitiveness</i> was held in Peru in August 2016, which enabled experience sharing from member economies and the private sector on pertinent issues on financial and social inclusion and competitiveness, and the importance of the role of big data and cloud computing. Participants at the workshop agreed on the importance of facilitating digital payment, the use of cloud services, promoting e-commerce trade shows and ensuring consumer confidence as critical issues to facilitate cross-border e-commerce.</p> <p>Also under ECSG, the <i>IDEAS Show @ APEC Social e-Commerce</i> was held from 20-21 July 2016 in Chinese Taipei. The event examined current technologies, obstacles, and trends of e-commerce mechanisms and promoted collaboration for social e-commerce startups. The event attracted 300 startups from Japan, Hong Kong, China, and Singapore, and accumulated USD 190 million for early stage investment for the startups.</p> <p><u>Expanding Regulatory Cooperation and Advancing Regulatory Coherence</u></p> <p><i>(Strengthening of Cross-border Data Privacy Rules)</i></p> <p>ECSG continues to implement the APEC Cross-Border Privacy Enforcement Arrangement (CPEA), which is the first multilateral arrangement in the APEC region for Privacy Enforcement Agents (PEAs) to share information and provide assistance for cross-border data privacy enforcement. The CPEA signifies the ongoing commitment within APEC to increase the protection of</p>

	<p>cross-border flows of personal information and is a significant step in the effective implementation of the APEC Privacy Framework. To date, 25 PEAs from 10 member economies are participating in the CPEA. Cooperation has expanded beyond APEC through the sharing of the APEC directory of economy enforcement contact points with the OECD and the Global Privacy Enforcement Network (GPEN).</p> <p>The APEC Cross Border Privacy Rules System (CBPR), endorsed by APEC Leaders in 2011, welcomed two new members, with the entry of Canada and Japan in April 2015 and February 2016 respectively. The CBPR system enables flows of information and data across borders while at the same time providing effective protection for personal information, essential to trust and confidence in the online marketplace. Currently four APEC economies are participating in the APEC CBPR system (United States, Mexico, Japan and Canada).</p> <p>The APEC Privacy Recognition for Processors System (PRP) was endorsed by Senior Officials in 2015. The PRP is designed to help personal information processors assist controllers in complying with relevant privacy obligations, and helps controllers identify qualified and accountable processors. This is done through an intake questionnaire which sets forth the baseline requirements of the PRP. The APEC-recognized Accountability Agent will then assess a processor seeking recognition based on a set of requirements.</p> <p>In line with the APEC Leaders' Statement in 2011 to implement the APEC CBPR system to reduce barriers to information flows, enhance consumer privacy, and promote interoperability across regional data privacy regimes, the ECSG has conducted research and capacity building workshops to train member economies on aligning their domestic legal regimes with the APEC Privacy Framework and meeting the CBPR requirements in Australia, Singapore and Viet Nam in 2015-2016.</p> <p>The APEC/EU Working Team, which was created to support and enhance interoperability between the APEC and EU data privacy regimes, is undertaking additional areas of work, including, in the short to medium term, developing a joint application form for companies seeking privacy certification under both systems, a mapping of policies, and documents that are to be submitted under both systems and in the longer term, a common referential for processor recognition. The joint APEC-EU Working Team held discussions with private sector stakeholders who provided views and advice on the functionalities and important elements of a common questionnaire. The Working Committee is currently continuing work in developing this common questionnaire.</p> <p>ECSG is undertaking an assessment of its initiatives against the 1998 APEC Blueprint for Action on E-Commerce. Its Data Privacy Sub-Group (DPS) has completed the review of the APEC Privacy Framework based on the 2013 revisions of the OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data. As a result, the updates on the APEC Privacy Framework was endorsed by ECSG. This will help ensure that the Framework can continue to respond to technological and marketplace</p>
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	<p>evolution, and support the free flow of information across borders through the establishment of consistent rules for the protection for personal information, as essential to trust and confidence in the online market <i>place</i>.</p> <p><u>Promoting Innovative Development, Economic Reform</u></p> <p>ECSG also commenced discussions on new issues to (1) identify opportunities for enhanced trade through emerging technologies; (2) support best practices for regulating emerging technologies and data to ensure those technologies and flows are not inhibited without legitimate purpose; and (3) engage in outreach to economies looking to utilize emerging technologies and support enhanced data flows among economies in APEC. At SOM1, 2016, the ECSG established a study group on big data portability to research and identify trends in big data portability to promote interoperability across platforms and the protection of personal information. At SOM3, 2016, the ECSG endorsed the establishment of a joint virtual working group with the LSIF in the development of an <i>APEC Framework for the Secondary Use of Medical Data and Medical Research</i>. The ECSG is also considering implementing a series of new joint-APEC fora initiatives, including partnership with EPWG on issues related to natural disasters, information flows and privacy, and a proposed Big Data Innovation Virtual Working Group to discuss big data innovation in APEC.</p>
<p>Automotive Dialogue (AD)</p>	<p>The AD continued its work in 2016 on an agenda that includes both CTI's priorities and the automotive industry's pressing issues and development trends, focusing on SMEs' role in the industry, electric vehicles, new energy vehicles (NEVS) and automotive markets in the region. The ad is a public-private body in which regulators and producers collaborate to reduce regulatory barriers and to promote trade in vehicles, parts, technologies and related products throughout the APEC region. The ad met twice in 2016, completed a range of tasks and set targets to continue its work on the improvement of the automotive industry and market in the APEC region.</p> <p><u>Advancing Regional Economic Integration (REI)</u></p> <p>The GVC/SME automotive sector (GSAS) initiative led by Malaysia and the Philippines aims at identifying specific challenges faced by SMEs in integrating into GVCs and recommending practical solutions to overcome the challenges. A suite of GSAS activities composed of workshops and an analytical survey were undertaken in 2015 to identify more targeted and practical sector level analysis of the automotive industry and its GVCs. From the workshops and survey conducted, several impediments were identified that restricted developing economy SMEs from participating in GVCs: (1) lacking adequate standards or product quality and/or business capability; (2) lacking competitiveness to become an automotive GVC industry player; (3) lacking awareness/knowledge on GVCs; and (4) lacking ability to overcome non-tariff barriers (NTBs). The project will continue to be implemented further in 2017 through a workshop on these issues. Specifically, for the second phase of the GSAS project, the workshop will be organized: (1) to deliberate on outcomes of GSAS workshops and survey analysis completed in phase 1; (2) to share best practices on solutions or programs to integrate SME suppliers into</p>

	<p>automotive GVCs; and (3) to discuss the elements of the multi-year APEC Regional Automotive Supplier Excellence Programme (RASEP) as mandated in the 2015 CTI annual report.</p> <p>AD also continuously updates the compendium of automotive business regimes in APEC, which aims at empowering APEC SMEs to penetrate the automotive GVCs through updated trends and knowledge on the automotive markets in the APEC region. The compendium is intended to be an investment guide and contain useful information/data on individual member economies. (support for the multilateral trading system)</p> <p>The AD continues its work on the compendium of automotive taxation, aimed at promoting regional industry growth. The compendium will include different motor vehicle tax structures (purchase, possession, use and border), and incentives.</p> <p><u>Expanding Regulatory Cooperation and Advancing Regulatory Coherence</u></p> <p>The AD has undertaken activities under the APEC electric vehicles roadmap, aimed at facilitating the adoption and implementation of international standards pertaining to electric vehicles. The first workshop on the electric vehicles roadmap was held back-to-back with the 25th AD meeting in September 2016. The workshop focused on regulations and standards harmonization in this area. It was concluded that due to the variety of issues and market differences, the answers will not always be the same, although there are opportunities to further align approaches and narrow divergence. There was a strong support for work to align regulatory approaches. More opportunities can be sought in recycling, cybersecurity, fire and water safety, and infrastructure interoperability. Further discussion will take place in the next workshop regarding the role and content of a proposed interoperability center, including how it might lead to increased regional convergence. The work needs to include consideration of 2-wheeled and 3-wheeled vehicles. The next workshop will be held in 2017.</p>
<p>Chemical Dialogue (CD)</p>	<p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>CD has commenced discussions on how to leverage the projects to promote information sharing along the supply chain being undertaken by Japan – including its Joint Article Management Project (“JAMP”), and chemSHERPA programs.</p> <p><u>Expanding Regulatory Cooperation and Advancing Regulatory Coherence</u></p> <p>CD continues to promote best practices and regulatory cooperation in chemicals, including the endorsement by Ministers Responsible for Trade of the CD’s Best Practice Principles in May 2016. CD’s 2016 work program continued to progress its leading role in promoting regulatory cooperation in the chemical sector, including by the following:</p> <p>(1) Endorsed a Best Practice Principles Checklist, which was subsequently endorsed by Ministers Responsible for Trade, to promote implementation of</p>

	<p>the CD's Best Practice Principles for Chemical Regulation, and agreed to prepare economy implementation reports in 2017;</p> <p>(2) Agreed for member economies to provide written comments on the draft press release (2016/SOM3/CD/004att1) reflecting the endorsement of the Best Practice Principles Checklist;</p> <p>(3) Continued implementation of the self-funded beta site project undertaken by the CD's joint virtual working group on marine debris with the Oceans and Fisheries Working Group;</p> <p>(4) Agreed that the VWGRCC would undertake to update the CD website and encouraged economies interested in assisting in this work to identify themselves to the VWGRCC Co-Chairs;</p> <p>(5) Welcomed the report of its Regulators' Forum on its implementation of its 2016-2017 Action Plan and encouraged economies to actively participate in the Regulators' Forum work intersessionally;</p> <p>(6) Convened a workshop on the Globally Harmonized System for the Classification and Labeling of Chemicals ("GHS") to promote capacity building and to address divergences in GHS implementation in response to a request from APEC Ministers in November 2015;</p> <p>(7) Agreed to an updated reporting timeline for the preparation of GHS implementation reports to be submitted to Ministers Responsible for Trade in 2017 and developed a revised Smart Form to help facilitate increased submissions;</p> <p>(8) Continuing to promote and expand the GHS Resource Exchange and Tool ("G.R.E.A.T.") website hosted by Chinese Taipei;</p> <p>(9) Contributed to the CTI's ARCAM workshop relating to identifying and overcoming barriers to the deployment of technologies for sustainable solid waste management infrastructure; and</p> <p>(10) Initiated a project with the Sub-Committee on Customs Procedures (SCCP) regarding information sharing and potential follow-up steps to address unnecessary divergences in approaches and treatment for the importation of chemicals.</p>
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<p>Life Sciences Innovation Forum (LSIF)</p>	<p><u>Advancing Regional Economic Integration (REI)</u></p> <p>LSIF continues to support the work done through the Global Medical Product Supply Chain Integrity Priority Work Area on the areas of good manufacturing practices, product traceability and authentication, detection technologies, internet sales, and good import/export practices. This has been done through the Regulatory Harmonization Steering Committee (RHSC)'s roadmap initiatives which include the Multi Regional Clinical Trials and Good Clinical Practices Inspection, Biotherapeutics, Good registration Management, Cell and tissue-based therapies, Pharmacovigilance and medical device vigilance and Global Supply Chain Integrity.</p> <p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>The LSIF and ABAC conducted a pilot project in the Philippines testing the efficiency of the use of Global Data Standards (GDS) for product verification in the pharmaceutical supply chain.</p> <p><u>Expanding Regulatory Cooperation and Advancing Regulatory Coherence</u></p> <p>LSIF's Regulatory Harmonization Steering Committee (RHSC) continued to carry out the following work:</p> <p>The APEC Harmonization Center (AHC) will provide support for a maximum of two Center of Excellence (CoE) pilot programs for any one given institution, in efforts to encourage the establishment of new APEC training institutions. Priority for AHC support will be given to new training institutions and to those training on new topics within the APEC RHSC Priority Work Areas (PWAs). AHC will survey topics of interest to the RHSC, with the assistance of PhRMA and BIO industry coalitions and COFEPRIS. AHC will host a teleconference for RHSC members in November 2016, to discuss requests received for AHC support.</p> <p>Multi Regional Clinical Trials and Good Clinical Practices Inspection Roadmap: PMDA will host a pilot CoE program in January 2017, as well as a symposium to review the outcomes of the PMDA, Duke-NUS and Peking University (PKU) pilot programs which were held earlier this year.. The symposium is designed to assess the degree of convergence in the region and to revise the curriculum, if needed, based upon the outcomes and discussion. A second pilot program at PKU in summer 2017 was endorsed. Both Duke-NUS and PKU requested information to become RHSC-endorsed CoEs.</p> <p>Biotherapeutics Roadmap: CoE Pilot Programs for APEC regulators were held at Northeastern University in September and at Seoul National University in November. Outcomes will be assessed by the end of 2016 to update the roadmap and CoE biotherapeutics curriculum..</p> <p>Good Registration Management Roadmap: Good Review Practices and Good Submission Practices have been merged into one roadmap – Good Registration Management, with Japan as co-Champion with Chinese Taipei. JPMA circulated a revised Good Submission Guideline to the RHSC in April, which was endorsed intersessionally. RAPS hosted a CoE Pilot Program for</p>
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	<p>experienced regulators and industry, in Chinese Taipei November 2016. COFEPRIS presented a proposal to host a CoE Pilot Program in late 2016/early 2017. This was endorsed by the RHSC.</p> <p>Cell and Tissue-based Therapies Roadmap: A CoE Pilot Program at Duke-NUS in early 2017 was endorsed. AHC support will be sought. An Industry Coalition for Advanced Therapies was endorsed. A representative from the Alliance for Regenerative Medicine will be invited to participate in the RHSC. Singapore has circulated a survey on standards relevant to cellular therapy products earlier this year, and is still awaiting responses in order to complete gap analysis. All RHSC regulators are encouraged to respond as soon as possible, as this information will be used for the CoE Pilot.</p> <p>Pharmacovigilance and Medical Device Vigilance Roadmap: The RHSC endorsed the merged Pharmacovigilance and Medical Device Vigilance roadmap. RHSC endorsed Korea to conduct a Pharmacovigilance CoE Pilot Program and workshop in September 2016 hosted by KIDS in Seoul. The format will be a one day workshop for industry, academia and regulators, and then a 3-day CoE Pilot Program. RHSC endorsed a medical device workshop to be held in Seoul in September 2016, to discuss a gap analysis in the region. MFDS will share the 2016 CoE Pilot Program curriculum with PMDA Japan. MFDS and HSA will discuss whether advanced therapies can be included in the Pharmacovigilance Roadmap.</p> <p>Global Supply Chain Integrity Roadmap & Workshop: Work in the 10 work streams is almost complete. The final work product, a “Roadmap for Supply Chain Security,” will weave together work products from each of the 10 work groups and respective toolkits into one comprehensive document that the group will deliver to the RHSC before SOM-1 2017. The United States Pharmacopeia presented a proposal for a CoE Pilot Program on Quality Standards and Implementation, to be held in the US in early 2017. This was endorsed by the RHSC. An ABAC-LSIF Pharmaceutical Serialization and Verification Workshop was hosted by the Philippines in October 2016. APEC regulatory authorities, RHSC members, and guests were invited to attend</p> <p><u>Promoting Innovative Development, Economic Reform</u></p> <p>LSIF collaborated with the Health Working Group (HWG) to organize the 6th APEC High-Level Meeting (HLM6) on Health & the Economy on 21-22 August. The meeting was chaired by the Minister of Health of Peru and organized jointly by the HWG and the LSIF. The overall objective of the meeting was to share and discuss perspectives and experiences prioritizing and financing investments in health and building innovative and efficient health systems to implement “Healthy Asia Pacific 2020 (HAP2020)” in support of the 2030 Sustainable Development Goals (SDGs). Both HAP2020 and the SDGs recognize that high impact investments in health systems yield tremendous benefits that help economies achieve their economic, social, and environmental goals.</p>
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	<p>LSIF welcomed the Regional Program on Licensing and Basic Startup on Sep 21-22, Bangkok, Thailand, and also Special Topic Program on ‘Technology Start Up’ on Nov. 9-10, Seoul, Korea this year.</p> <p>LSIF together with the ECSG proposed the development of an APEC Framework for the Secondary Use of Medical Data in Health and Medical Research. The next steps include the establishment of a Virtual Working Group (VWG); to include health officials, data privacy officials, regulators, and private sector experts to develop a draft framework. A draft framework will be presented at SOM1, 2017 and submitted for endorsement by Ministers/Leaders in November 2017.</p> <p>LSIF welcomed the intention of Finance Ministers Process officials to have a substantive dialogue over the course of 2017 on ways to address the fiscal and economic impacts of ill health. APEC economies are asked to engage with and encourage participation of their respective Budget and Finance Officials.</p> <p>LSIF welcomed the launch of the APEC Digital Hub for Mental Health and endorsed the APEC Report on Strategic Needs in Mental Health following the submission of inputs in 2015-2016 from 15 member economies.</p>
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Section VIII: Streamlining CTI and CTI Sub-Fora

Highlights

- In 2014, Senior Officials approved the recommendations on streamlining the CTI sub-fora (2014/Som1/037anx5) following a review on the effectiveness and efficiency of the CTI sub-fora and instructed the CTI to review the operation of the sub-fora two (2) years after the implementation of the recommendations. CTI commenced a review to continue efforts to streamline, strengthen and sharpen the CTI and its sub-fora. The review commenced after SOM 3, 2016, via the dissemination of a survey questionnaire to all CTI and sub-fora members and Convenors. The questionnaire comprises (1) a review of the implementation of the 2014 recommendations, particularly on whether the streamlining efforts have improved the efficiency and effectiveness of CTI and sub-fora work; and (2) identification of new actions to sharpen the CTI and CTI sub-fora agenda to place greater focus on initiatives that promote and strengthen regional economic integration.
- The CTI Chair and the APEC Secretariat will compile the results of the survey, on the basis of which a report containing recommendations for concrete actions will be produced. The draft report will be discussed at CTI1 in 2017 for finalization, and any recommendations will be brought for endorsement by Senior Officials at SOM1 in 2017.
- Streamlining of the CTI sub-fora also contributes to and is part of a wider effort of reforming APEC. While different fora and groups have been set up in APEC in order to address increased diversification of issues to be dealt with, a number of economies supported calls to review the current APEC structure to increase efficiency and flexibility of APEC to respond to the changing environment and to focus resources on issues that will bring APEC closer to its goals. With discussions on all APEC rationalization anticipated on Senior Official's level in the near future, the outcomes of CTI sub-fora streamlining will be expected to provide meaningful inputs to the discussion.
- CTI also agreed to endorse the proposal on the process of selecting a CTI Vice Chair for implementation in 2017 to 2020. Starting next year, Viet Nam as the host economy, will assume the vice chair role. More than giving support to the CTI Chair, this will also enhance coordination between the CTI and the APEC Chairmanship.

Annex 1

Sub-fera Outcomes for 2016 CTI priorities

SUB-FORA	WORK UNDERTAKEN
Market Access Group (MAG)	<p data-bbox="464 405 1002 434"><u>Support for the Multilateral Trading System</u></p> <p data-bbox="464 477 1390 680">In support of the Multilateral Trading System, MAG noted the progress made by economies including Mexico, Russia and Peru which have ratified the Agreement, while encouraging the remaining economies to expedite submission of their instrument of acceptance. MAG also commended Chile and Thailand for their efforts in reducing the tariff of APEC Environmental Goods List.</p> <p data-bbox="464 723 1043 752"><u>Advancing Regional Economic Integration (REI)</u></p> <p data-bbox="464 795 1390 931">In enhancing regional connectivity and promoting trade facilitation, the APEC Trade Repository has incorporated information from all 21 Economies, with an average 2,000 hits per month. MAG continues to encourage members to update their information for the website.</p> <p data-bbox="464 974 1390 1323">The United States led the discussion to on the initiative of <i>Increasing Transparency of Measures Affecting Exports</i> agreed last year under the recognition that information on a broad range of measures affecting exports available in one place will enhance transparency and reduce burdens for economic operators. Through discussions at MAG, a proposal was developed, where (1) export subsidies, (2) export duties and taxes, and (3) quantitative export restrictions applied on an MFN basis, will be the scope of measures to be reported, which will be provided through the APEC Trade Repository, a “one stop shop” to access trade-related measures established last year. CTI endorsed the initiative intersessionally.</p> <p data-bbox="464 1366 1225 1395"><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p data-bbox="464 1438 1390 1608">In support of the Boracay Action Agenda (BAA) in globalizing MSMEs, MAG contributed its initiative on Information Gathering Exercise on Simplification of Documents and Procedures, Increasing Transparency of Measures Relating to Exports as well as the Pathfinder on Self-Certification for the stock-taking exercise.</p> <p data-bbox="464 1650 1390 1787">PSU has finalized the joint study with GOS on the Role of Services Trade in Global Value Chains (GVCs). The case studies involved the health and medical services in Malaysia, telecommunication sector in Australia and Papua New Guinea, as well as transport services in Chile.</p>

<p>Group on Services (GOS)</p>	<p><u>Advancing Regional Economic Integration (REI)</u></p> <p>GOS discussed its contributions to APEC Services Competitiveness Roadmap and agreed to work on its implementation as tasked by CTI/Senior Officials.</p> <p>The STAR Database (http://www.servicestradeforum.org/) has covered eight services sectors and all 21 APEC economies. The website has been redesigned to be more transparent and user-friendly and will assist business to identify measures that impact on trade and investment in the services sector more easily. Nonetheless, GOS has to resolve the issue of ensuring sustainable resources for the long-term maintenance of the website in order for it to continue serving as an important tool in facilitating trade liberalization on services.</p> <p>With the support from PSU, the joint study with MAG on the Role of Services Trade in Global Value Chains (GVCs). The case studies involved the health and medical services in Malaysia, telecommunication sector in Australia and Papua New Guinea, as well as transport services in Chile.</p> <p>Peru organised the Capacity Building Workshop on Negotiation of Services Chapters under FTAs with a Negative List Approach at the margins of SOM3 Meetings in Lima. The Workshop garnered active participation from 65 government officials and trade negotiators and enhanced their knowledge on among others, Cross-Border Trade on Services (CBTS) and recognizing common mistakes in the negative list approach in services chapters under FTAs.</p> <p>Australia has funded a Policy Dialogue on Sharing Economy, Services Trade and Global Production Value Chain in June 2016 which focused on exploring ways in which technology is changing methods of services delivery. The Dialogue concluded that technology is having a profound impact on business models through enhanced connectivity and the digitization of value which enable businesses to immediately access international market. APEC could take the lead in bringing together regulators in tackling the challenge of managing borderless services trade and digital economy.</p> <p>GOS also endorsed the draft Compendium of Policy and Regulatory Practices: Guiding Principles for Services Sectors, which is the final product of the Australia-led series of symposia on good policy and regulatory practices of 8 services sectors (accounting, legal, architectural and engineering, logistics and transport, telecommunications and ICT, mining and energy, financial and higher education services). The Compendium is aimed to support APEC's work on services beyond 2016 as a key resource for individual economies, regulators, policy makers and trade negotiators.</p>
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<p>Investment Experts Group (IEG)</p>	<p><u>Support for the Multilateral Trading System</u></p> <p>IEG continued to support Multilateral Trading System by: Discussions with external stakeholders such as OECD, UNCTAD and WEF in the areas of International Investment Agreements (IIAs) issues, IIA Reform and Investor-State Dispute Settlement (ISDS), which paved the way for the investment policy makers of each economies to take stock and utilize them in their home economies.</p> <p><u>Advancing Regional Economic Integration (REI)</u></p> <p>IEG continued to support REI in various ways/sectors/initiatives, namely:</p> <p>(1) First Investment Policy Dialogue on Approaches to Management of Foreign Investment: Sharing experience amongst APEC investment policy-makers and regulators (in the margin of IEG2 in 2016).</p> <p>(2) Investment Facilitation Action Plan (IFAP) 2015-2016;</p> <ul style="list-style-type: none"> - Based on the agreement by the members at IEG1, 2015, the members have nominated for specific actions (taken in 2015-2016) as “Implementing Economy” in three priority themes; E-transparency, Reducing investor risk and Simplifying business regulation. - As a result, 17 Implementing Economies (out of 21) were specified. 10 Implementing economies submitted their details of implementation (as of October 2016). - IEG Co-Convenors have requested PSU to assess the outcomes of discussions and reports by IEG members at IEG2 in 2016, based on this, PSU will target to submit the report at IEG 1 in 2017. <p>(3) Public Private Dialogue; Fostering SME Growth through Inclusive Business (IB). This self-funded project is an APEC study led by the Philippines, through the support of the ADB (starting from September 2016). The study shall illustrate the current state of IB models in selected APEC economies (market potentials, constraints and necessary policy instruments for an enabling environment), and adapt a framework to guide future work on IB under the APEC regional economic cooperation agenda. Results will be presented in IEG 1 APEC 2017, Viet Nam.</p> <p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>IEG continued to support Comprehensive Connectivity and Infrastructure by: “Guidebook on PPP Frameworks in APEC Region” has been published in 2015 as the Indonesia’s self-funded project. Up to now, it has been accessed 2135 times by public viewers. The Guidebook aims to compile and present a comprehensive overview of PPP schemes in infrastructure in APEC economies, as a starting point to facilitate potential APEC-wide investors and other parties who seek such information; to attract investors in setting up PPP projects in APEC economies; and to initiate a living database of PPP</p>
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	<p>guide in each APEC economy. Now the IEG is working on its updates by the initiative of Indonesia (as of October 2016), so that the Guidebook can be re-republished and reported at IEG1 in 2017.</p> <p><u>Promoting Innovative Development, Economic Reform</u></p> <p>IEG continued to support Promoting Innovative Development, Economic Reform by:</p> <p>Discussing with ABAC on the report on “RIAG Workshop on Indicator Based Investment Climate Assessment in APEC Economies” that has been endorsed by ABAC III in August 2016, which gave good values for the investment promoters of each economies to take stock and utilize them in their home economies in order to enhance the APEC investment environment.</p>
<p>Sub-Committee on Customs Procedures (SCCP)</p>	<p><u>Support for the Multilateral Trading System</u></p> <p>The SCCP members continued sharing information on work done for the implementation of the WTO TFA and stressed the importance of continuing capacity-building.</p> <p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p><i>(Chokepoint 8: Lack of regional cross-border customs transit arrangements)</i></p> <p>The SCCP endorsed the guidelines, in connection with Chokepoint 8, proposed by Chile, and reported the outcomes of the questionnaire to the implementation of the APEC Customs Transit Guidelines on Chokepoint 8, completed by 16 Member Economies, with the objective of making a general diagnostic of each one regarding to the implementation.</p> <p>Main results showed that (i) required documentation depends on what has been established in each FTA in regards to the provisions of the “direct consignment”; (ii) Economies do not reject the eligibility to apply for preferential tariff treatment only for the reason that the cargo was transhipped through a third party economy, as long as the consignment criteria provided for in the FTA/EPA or GSP are satisfied and the necessary documents are presented to Customs; (iii) the Implementation of the APEC Customs Transit Guidelines needs coordination and cooperation among multiple governmental agencies responsible for management on transit transport; (iv) the governmental agency, which is in charge of signing the agreement on transit goods with other countries, is other agency rather than customs.</p> <p>The SCCP will continue working intersessionally with the economies in order to define which of the future activities could be implemented: (a) collecting best practices; (b) organizing workshops; (c) considering providing technical assistance.</p>

	<p>The SCCP continued to contribute to the APEC Travel Facilitation Initiative. The SCCP will start working on a compilation of Annual TFI Progress Reports which will be submitted to SOM.</p> <p><i>(AEO)</i></p> <p>The Authorized Economic Operator (AEO) concept is one of the main building blocks within the World Customs Organization's SAFE Framework of Standards (SAFE) to support secure trade. Operators can be accredited by Customs as an AEO when they demonstrate high quality internal processes of a sufficient standard to prevent tampering of goods in international transport. This facilitates trade for low risk operators and ensures Customs can focus inspection resources on more high-risk parties.</p> <p>The SCCP is continuing to carry out capacity building for the economies that have not established the AEO program. The SCCP is also advancing the formulation of the minimum standards for AEO enterprises, including SMEs. Furthermore, SCCP is working on promoting AEO mutual recognition between member economies, and developing the benefit list of the AEO Mutual Recognition Arrangement (MRA) to further facilitate trade in the Asia-Pacific region.</p> <p>The APEC Policy Support Unit concluded the Study of APEC Best Practices in Authorized Economic Operator (AEO) Program, that updates the APEC Authorized Economic Operator (AEO) Compendium, assembled in 2010.</p> <p>This final report incorporates and addresses all relevant comments from member economies, and suggests ways to improve APEC AEO convergence and regional economic integration. The recommendations in this report should be viewed as a general guide for APEC economies to further discuss.</p> <p>Currently 17 APEC member economies have operational AEO programs in varying stages of development. Likewise, APEC member economies have concluded 37 MRAs; of those, 25 were between APEC members.</p> <p><i>(Single Window)</i></p> <p>Since 2007, SCCP has implemented ground-breaking work to establish Single Window systems for streamlining the export-import process via an online system that links all government agencies responsible for permits, certificates and fees.</p> <p>The SCCP conducted stock-taking surveys in 2010 and 2012. Two SW workshops took place in 2011 and 2012. Other APEC fora benefited from the SCCP work on SW, CTI, for example, took the findings in its Diagnostic Report for Chokepoint 4 in 2014.</p> <p>The SCCP will continue providing capacity building and technical support for member economies to establish and improve their individual Single Window with the least delay possible; and to realize interoperability of Single Window systems amongst APEC member economies.</p>
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	<p>To date, 15 APEC economies have implemented various stages of the Single Window system as a result of 2014 SCCP Single Window Survey.</p> <p><u>Expanding Regulatory Cooperation and Advancing Regulatory Coherence</u></p> <p>The SCCP Initiated a project with the Chemical Dialogue (CD) regarding information sharing and potential follow-up steps to address unnecessary diverges in approaches and treatment for the importation of chemicals</p> <p><u>Contributions to innovative development, economic reform and growth, in particular, APEC's Leaders' growth strategy growth</u></p> <p><i>(Intellectual Property Protection)</i></p> <p>The SCCP endorsed the APEC Guidelines for Customs Border Enforcement of Counterfeiting and Piracy in 2011, conducted in 2011, 2013 and 2014 the SCCP IPR Check Sheet Survey; likewise, held an IPR Regional Workshop in 2014.</p> <p>It has also conducted IPR Border - Mutual Enforcement Operation, on counterfeit different items and border protection in order to protect consumers and Economies in cross-border trade.</p> <p>Currently the SCCP is working on increasing technical exchange and experience sharing among members, and improving law enforcement capacity on Intellectual Property Rights (IPR) border protection for Customs of member economies. The SCCP is also working on setting up a long-term mechanism for research and training on IPR border protection</p> <p><i>(Cross-border E-Commerce)</i></p> <p>The SCCP endorsed the Improvements in Customs Control on Cross-border E-commerce as a new item in the Collective Action Plan, in order to increase awareness of the opportunities and challenges brought by cross-border E-commerce, to share information and increase knowledge among APEC economies about laws, regulations, supervision and risk indicators on cross-border e-commerce in order to draft recommendations, and to create an action plan for cross-border e-commerce in APEC to strengthen the cooperation among member customs.</p> <p>The SCCP conducted and analyzed the Survey on APEC Cross-border E-commerce, which summarized the status quo of law and legislation, supervision and control, law enforcement activities in APEC region with regard to cross-border e-commerce, and held a workshop on cross-border e-commerce in 2015.</p> <p>The SCCP is working to increase awareness of risk control in e-commerce in the APEC Customs community and to promote cooperation with the business community by elevating the level of information exchange on best practices. SCCP is also strengthening cooperation between APEC economies and the</p>
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	<p>private sector, encouraging self-discipline and compliance from the private sector, and establishing safe and efficient order on cross-border e-commerce in order to promote trade and economic development in APEC.</p>
<p>Sub-Committee on Standards and Conformance (SCSC)</p>	<p><u>Support for the Multilateral Trading System</u></p> <p>SCSC continued to support Multilateral Trading System in various ways/projects/initiatives, namely:</p> <ol style="list-style-type: none"> (1) Voluntary Action Plan (VAP) Alignment Work to achieve alignment of member economies' national standards with international standards (by Japan). (2) Supporting the implementation of the WTO Agreements on Trade Facilitation (TFA), Sanitary and Phytosanitary (SPS) measures and Technical Barriers to Trade (TBT); under the WTO's TBT and SPS Agreement, some members' (namely Japan and China) contributions to WTO TBT committees and WTO SPS committees. <p><u>Advancing Regional Economic Integration (REI)</u></p> <p>SCSC continued to support REI in various ways/projects/initiatives, namely:</p> <ol style="list-style-type: none"> (1) APEC Model Wine Export Certificate to address issues on non-tariff measures (NTMs). (2) Relevant projects such as "Facilitating Trade in Information and Communications Technologies (ICT) Products through Encouragement of Electronic Labeling Best Practices" (US); also newly approved concept note in Project Session 2, 2016 (starting 2017) is expected to contribute to this area; "Facilitating Trade through the Strengthening of Food Safety Emergency Systems of APEC economies" (Chile). (3) Works on MSMEs through projects such as "Supporting Micro, Small and Medium Enterprises (MSMEs) Trade Facilitation through Standardization Activities" (Peru) and "Capacity Building on Antibacterial Products and Materials and their Evaluation Test Method for Modernization of MSMEs in APEC Region" (Japan). (4) Active participation to Boracay Action Agenda (BAA). <p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>SCSC continued to support Comprehensive Connectivity and Infrastructure in various ways/projects/initiatives, namely:</p> <ol style="list-style-type: none"> (1) Support for technical infrastructure development through standards education programs such as Standard Olympiad (by Korea and Peru) or the project "Capacity-building and Awareness Project on Enhancement of Total Environmental Efficiency (Energy/ Carbon and Material Efficiency) through MFCA, ISO 14051" (Japan).

- (2) Relevant ongoing projects; “Aligning Energy Efficiency Regulations for ICT Products – Implementing a Strategic Approach” (US), “11th Conference on Standards and Conformance” (Peru), “Best Practices Sharing and Technical Capacity Building for Measurement and Verification Standards of Energy Savings” (China) and “The Role of Standards and Innovation in Driving APEC’s Silver Economy” (New Zealand).

Expanding Regulatory Cooperation and Advancing Regulatory Coherence

SCSC continued to support Regulatory Cooperation and Advancing Regulatory Coherence in various ways/projects/initiatives, namely:

- (1) APEC Model Wine Export Certificate (by initiative of APEC Wine Regulatory Forum, Multi Year Project) was adopted in SOM2, 2016; The Certificate intends to facilitate wine trade in the APEC region through providing a tool for standardizing the certificates across the APEC region through its voluntary implementation, and to promote reduction and elimination of technical barriers for wine trade. CTI and Senior Officials endorsed the APEC Model Wine Certificate, which was welcomed by Ministers Responsible for Trade in May 2016.
- (2) First Policy Discussion (at SCSC2 in 2016) in the area of Non-conforming/Non-compliant Products, Standards Implementation in MSMEs, Technical Regulations, Conformity Assessment, Quality Infrastructure and Accessibility of Standards Documents.
- (3) EC – SCSC 9th Conference on Good Regulatory Practices (GRP)
- (4) Various works by Food Security Cooperation Forum (FSCF)/Partnership Training Institute Network (PTIN), including:
- (i) the implementation of APEC funded projects on
 - Building Convergence in Food Safety Standards and Regulatory Systems* (US Multi Year Project),
 - Regional Workshop on Measurement and Standards for Grain Food Safety and Free Trade* (China),
 - Towards a Robust Food Safety System in the APEC Region through Regulatory and Public-Private Cooperation* (China),
 - (ii) an industry/regulator roundtable on better food safety regulation through increased transparency and public consultation,
 - (iii) self-funded project such as *Improving Food Safety through Hand Washing and Drying Capacity* (US) to help guide food processing facilities and workers on the most effective hand hygiene protocol.
- In 2017, the FSCF will continue work on improving hand hygiene in accordance with the endorsed report including examining international guidances, identifying best practices and next steps.
- The FSCF will also continue to advance the export certificate regulatory roadmap, work on proficiency testing, and hold a dialogue on modernizing food safety control systems.

	<p>(5) APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment, by sharing information of implementation status with the participation members of Joint Regulatory Advisory Committee on Electrical and Electronic Equipment (JRAC). 21st JRAC meeting was held in the margin of SCSC2 with the attendances of International Electrotechnical Commission (IEC) and ASEAN.</p> <p>(6) Specialist Regional Bodies (SRBs supports APEC priorities by:</p> <ul style="list-style-type: none"> - Strategic approach to developing regional measurement capabilities to support, e.g. trade and innovation and address societal needs in: Energy Efficiency, Food Safety, Climate Change, Medical Metrology. - Review of global Mutual Recognition Arrangement in measurement (CIPM MRA) to improve its efficiency and effectiveness and increase its impact on stakeholders (e.g. government, industry, etc.) in, for example, reducing TBTs.
<p>Intellectual Property Rights Experts Group (IPEG)</p>	<p><u>Advancing Regional Economic Integration (REI)</u></p> <p><i>(Supporting MSMEs internationalization)</i></p> <p>During 2016, the Intellectual Property Expert's Group (IPEG) has implemented and discussed a number of projects which intend to improve capacities of MSMEs' effective utilization of intellectual property rights, including the following:</p> <p>An APEC-funded project to develop a <i>Guidebook for SMEs' IP-Business Cycle</i>, which started in 2015, continued to be implemented during 2016. The Guidebook will be finalized early next year.</p> <p>IPEG discussed the following projects which were approved as APEC-funded projects: (1) SMEs Innovation: Capacity Building on IP Strategy; (2) Promoting Innovation through a Mechanism for IP Valuation, Financing and Leveraging IP Assets; and (3) Best Practices on Brand Development and IP Protection for Micro, Small and Medium Enterprises (MSMEs).</p> <p><u>Promoting Innovative Development, Economic Reform</u></p> <p>IPEG has been working on different elemental axes for intellectual property issues nowadays. Intellectual property in the online world has brought to light new opportunities and challenges, which is why IPEG has dedicated part of its discussions to enforcement, facilitation of rights, awareness tools, information sharing, and transparency in the digital era.</p> <p>Another important line of work has been the sharing of best practices and information on regulatory initiatives and updates in the region, development of examination tools, activities for boosting the usage of the international IP system, perspectives on geographical indications, as well as in genetic resources and traditional knowledge.</p>

	<p>In addition, IPEG has paid special attention to human capital development, sharing initiatives on capacity building and technical cooperation not only for public awareness, but also for the improvement of procedures and quality of granted patents and trademark registrations as well as industrial designs and appellations of origin.</p> <p>Pursuant to the Ministers' Joint Statement in 2015 to "welcome the progress towards developing the APEC Best Practices in Trade Secrets Protection and Enforcement and encourage officials to continue the work and to complete it on the basis of consensus at the earliest possible time", IPEG discussed and agreed to the <i>Best Practices in Trade Secret Protection and Enforcement Against Misappropriation</i>. It was subsequently endorsed by CTI and Senior Officials at SOM3. Recognizing the pro-innovation and pro-investment effect of trade secret protection and enforcement, and that MSMEs may especially be affected by its misappropriation, the <i>Best Practices in Trade Secret Protection and Enforcement Against Misappropriation</i> sets out eight elements of best practices that APEC economies are recommended to take into account on a non-binding and voluntary basis when developing their policy on trade secret protection and enforcement.</p>
<p>Business Mobility Group (BMG)</p>	<p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>The Business Mobility Group (BMG) pursued the following key actions designed to advance mobility of business travelers:</p> <ol style="list-style-type: none"> (1) Implementing the extension of the validity period of the APEC Business Travel Card (ABTC) from three years to a maximum five years with effect from 1 September 2015; (2) Scoping and providing technical assistance to members to improve ABTC pre-clearance processing times; <p>There has been continued growth in the take-up of the APEC Business Travel Card (ABTC) in the past year. As at 1 June 2016, there are 203,386 ABTC holders across APEC, where the number of ABTC cardholders increased by 8% compared to last year. BMG also undertook several initiatives and projects on improving client service frameworks, increasing travel security, as well as enhancing traveler facilitation and border integrity in the APEC Region.</p> <ol style="list-style-type: none"> (5) Overseeing the APEC-funded project for an End-to-End Review of the ABTC Scheme, which will recommend to the BMG opportunities for enhancement of the Scheme; (6) Implementing enhancements to better manage passport changes of ABTC holders; (7) Overseeing the APEC-funded project for an Online Lodgement System Workshop for the ABTC scheme;

	<p>The priority of online lodgement was strongly endorsed by the BMG's Online Lodgement Working Group (group of 5 + 1: Australia, China, Singapore, Thailand, the Philippines and Canada) as well as at the BMG Plenary meeting at SOM1 2016 – with online lodgement forming a key objective in the BMG's Goals for 2016. The Online Lodgement System Design Workshop will be held in Canberra, Australia on 16-18 November 2016. The systems design workshop will holistically consider the requirements of all economies, to provide the means for applicants to submit an application for an ABTC and, once approved by their home economy, for information to be automatically uploaded into the ABTC system. Submitting ABTC applications electronically will streamline the application process for ABTC applicants, making it more efficient to apply for an ABTC. Applicants from economies that do not have an existing form of online lodgement (the majority of APEC) will not have to rely on paper forms and postage. Online lodgement for ABTC holders is all the more important because frequent business travelers across the Asia-Pacific justifiably expect that online lodgement is the primary method of application available.</p> <p>(8) Compiling and refining standardized, centralized FAQs to provide general information on the ABTC scheme.</p>
<p>Electronic Commerce Steering Group (ECSG)</p>	<p><u>Advancing Regional Economic Integration (REI)</u></p> <p><i>(Supporting MSMEs internationalization)</i></p> <p>Under the auspices of the ECSG, a two-day workshop on <i>E-Commerce for Inclusion and Competitiveness</i> was held in Peru in August 2016, which enabled experience sharing from member economies and the private sector on pertinent issues on financial and social inclusion and competitiveness, and the importance of the role of big data and cloud computing. Participants at the workshop agreed on the importance of facilitating digital payment, the use of cloud services, promoting e-commerce trade shows and ensuring consumer confidence as critical issues to facilitate cross-border e-commerce.</p> <p>Also under ECSG, the <i>IDEAS Show @ APEC Social e-Commerce</i> was held from 20-21 July 2016 in Chinese Taipei. The event examined current technologies, obstacles, and trends of e-commerce mechanisms and promoted collaboration for social e-commerce startups. The event attracted 300 startups from Japan, Hong Kong, China, and Singapore, and accumulated USD 190 million for early stage investment for the startups.</p> <p><u>Expanding Regulatory Cooperation and Advancing Regulatory Coherence</u></p> <p><i>(Strengthening of Cross-border Data Privacy Rules)</i></p> <p>ECSG continues to implement the APEC Cross-Border Privacy Enforcement Arrangement (CPEA), which is the first multilateral arrangement in the APEC region for Privacy Enforcement Agents (PEAs) to share information and provide assistance for cross-border data privacy enforcement. The CPEA signifies the ongoing commitment within APEC to increase the protection of</p>

	<p>cross-border flows of personal information and is a significant step in the effective implementation of the APEC Privacy Framework. To date, 25 PEAs from 10 member economies are participating in the CPEA. Cooperation has expanded beyond APEC through the sharing of the APEC directory of economy enforcement contact points with the OECD and the Global Privacy Enforcement Network (GPEN).</p> <p>The APEC Cross Border Privacy Rules System (CBPR), endorsed by APEC Leaders in 2011, welcomed two new members, with the entry of Canada and Japan in April 2015 and February 2016 respectively. The CBPR system enables flows of information and data across borders while at the same time providing effective protection for personal information, essential to trust and confidence in the online marketplace. Currently four APEC economies are participating in the APEC CBPR system (United States, Mexico, Japan and Canada).</p> <p>The APEC Privacy Recognition for Processors System (PRP) was endorsed by Senior Officials in 2015. The PRP is designed to help personal information processors assist controllers in complying with relevant privacy obligations, and helps controllers identify qualified and accountable processors. This is done through an intake questionnaire which sets forth the baseline requirements of the PRP. The APEC-recognized Accountability Agent will then assess a processor seeking recognition based on a set of requirements.</p> <p>In line with the APEC Leaders' Statement in 2011 to implement the APEC CBPR system to reduce barriers to information flows, enhance consumer privacy, and promote interoperability across regional data privacy regimes, the ECSG has conducted research and capacity building workshops to train member economies on aligning their domestic legal regimes with the APEC Privacy Framework and meeting the CBPR requirements in Australia, Singapore and Viet Nam in 2015-2016.</p> <p>The APEC/EU Working Team, which was created to support and enhance interoperability between the APEC and EU data privacy regimes, is undertaking additional areas of work, including, in the short to medium term, developing a joint application form for companies seeking privacy certification under both systems, a mapping of policies, and documents that are to be submitted under both systems and in the longer term, a common referential for processor recognition. The joint APEC-EU Working Team held discussions with private sector stakeholders who provided views and advice on the functionalities and important elements of a common questionnaire. The Working Committee is currently continuing work in developing this common questionnaire.</p> <p>ECSG is undertaking an assessment of its initiatives against the 1998 APEC Blueprint for Action on E-Commerce. Its Data Privacy Sub-Group (DPS) has completed the review of the APEC Privacy Framework based on the 2013 revisions of the OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data. As a result, the updates on the APEC Privacy Framework was endorsed by ECSG. This will help ensure that the Framework can continue to respond to technological and marketplace</p>
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	<p>evolution, and support the free flow of information across borders through the establishment of consistent rules for the protection for personal information, as essential to trust and confidence in the online market <i>place</i>.</p> <p><u>Promoting Innovative Development, Economic Reform</u></p> <p>ECSG also commenced discussions on new issues to (1) identify opportunities for enhanced trade through emerging technologies; (2) support best practices for regulating emerging technologies and data to ensure those technologies and flows are not inhibited without legitimate purpose; and (3) engage in outreach to economies looking to utilize emerging technologies and support enhanced data flows among economies in APEC. At SOM1, 2016, the ECSG established a study group on big data portability to research and identify trends in big data portability to promote interoperability across platforms and the protection of personal information. At SOM3, 2016, the ECSG endorsed the establishment of a joint virtual working group with the LSIF in the development of an <i>APEC Framework for the Secondary Use of Medical Data and Medical Research</i>. The ECSG is also considering implementing a series of new joint-APEC fora initiatives, including partnership with EPWG on issues related to natural disasters, information flows and privacy, and a proposed Big Data Innovation Virtual Working Group to discuss big data innovation in APEC.</p>
<p>Automotive Dialogue (AD)</p>	<p>The AD continued its work in 2016 on an agenda that includes both CTI's priorities and the automotive industry's pressing issues and development trends, focusing on SMEs' role in the industry, electric vehicles, new energy vehicles (NEVS) and automotive markets in the region. The ad is a public-private body in which regulators and producers collaborate to reduce regulatory barriers and to promote trade in vehicles, parts, technologies and related products throughout the APEC region. The ad met twice in 2016, completed a range of tasks and set targets to continue its work on the improvement of the automotive industry and market in the APEC region.</p> <p><u>Advancing Regional Economic Integration (REI)</u></p> <p>The GVC/SME automotive sector (GSAS) initiative led by Malaysia and the Philippines aims at identifying specific challenges faced by SMEs in integrating into GVCs and recommending practical solutions to overcome the challenges. A suite of GSAS activities composed of workshops and an analytical survey were undertaken in 2015 to identify more targeted and practical sector level analysis of the automotive industry and its GVCs. From the workshops and survey conducted, several impediments were identified that restricted developing economy SMEs from participating in GVCs: (1) lacking adequate standards or product quality and/or business capability; (2) lacking competitiveness to become an automotive GVC industry player; (3) lacking awareness/knowledge on GVCs; and (4) lacking ability to overcome non-tariff barriers (NTBs). The project will continue to be implemented further in 2017 through a workshop on these issues. Specifically, for the second phase of the GSAS project, the workshop will be organized: (1) to deliberate on outcomes of GSAS workshops and survey analysis completed in phase 1; (2) to share best practices on solutions or programs to integrate SME suppliers into</p>

	<p>automotive GVCs; and (3) to discuss the elements of the multi-year APEC Regional Automotive Supplier Excellence Programme (RASEP) as mandated in the 2015 CTI annual report.</p> <p>AD also continuously updates the compendium of automotive business regimes in APEC, which aims at empowering APEC SMEs to penetrate the automotive GVCs through updated trends and knowledge on the automotive markets in the APEC region. The compendium is intended to be an investment guide and contain useful information/data on individual member economies. (support for the multilateral trading system)</p> <p>The AD continues its work on the compendium of automotive taxation, aimed at promoting regional industry growth. The compendium will include different motor vehicle tax structures (purchase, possession, use and border), and incentives.</p> <p><u>Expanding Regulatory Cooperation and Advancing Regulatory Coherence</u></p> <p>The AD has undertaken activities under the APEC electric vehicles roadmap, aimed at facilitating the adoption and implementation of international standards pertaining to electric vehicles. The first workshop on the electric vehicles roadmap was held back-to-back with the 25th AD meeting in September 2016. The workshop focused on regulations and standards harmonization in this area. It was concluded that due to the variety of issues and market differences, the answers will not always be the same, although there are opportunities to further align approaches and narrow divergence. There was a strong support for work to align regulatory approaches. More opportunities can be sought in recycling, cybersecurity, fire and water safety, and infrastructure interoperability. Further discussion will take place in the next workshop regarding the role and content of a proposed interoperability center, including how it might lead to increased regional convergence. The work needs to include consideration of 2-wheeled and 3-wheeled vehicles. The next workshop will be held in 2017.</p>
<p>Chemical Dialogue (CD)</p>	<p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>CD has commenced discussions on how to leverage the projects to promote information sharing along the supply chain being undertaken by Japan – including its Joint Article Management Project (“JAMP”), and chemSHERPA programs.</p> <p><u>Expanding Regulatory Cooperation and Advancing Regulatory Coherence</u></p> <p>CD continues to promote best practices and regulatory cooperation in chemicals, including the endorsement by Ministers Responsible for Trade of the CD’s Best Practice Principles in May 2016. CD’s 2016 work program continued to progress its leading role in promoting regulatory cooperation in the chemical sector, including by the following:</p> <p>(1) Endorsed a Best Practice Principles Checklist, which was subsequently endorsed by Ministers Responsible for Trade, to promote implementation of</p>

	<p>the CD's Best Practice Principles for Chemical Regulation, and agreed to prepare economy implementation reports in 2017;</p> <p>(2) Agreed for member economies to provide written comments on the draft press release (2016/SOM3/CD/004att1) reflecting the endorsement of the Best Practice Principles Checklist;</p> <p>(3) Continued implementation of the self-funded beta site project undertaken by the CD's joint virtual working group on marine debris with the Oceans and Fisheries Working Group;</p> <p>(4) Agreed that the VWGRCC would undertake to update the CD website and encouraged economies interested in assisting in this work to identify themselves to the VWGRCC Co-Chairs;</p> <p>(5) Welcomed the report of its Regulators' Forum on its implementation of its 2016-2017 Action Plan and encouraged economies to actively participate in the Regulators' Forum work intersessionally;</p> <p>(6) Convened a workshop on the Globally Harmonized System for the Classification and Labeling of Chemicals ("GHS") to promote capacity building and to address divergences in GHS implementation in response to a request from APEC Ministers in November 2015;</p> <p>(7) Agreed to an updated reporting timeline for the preparation of GHS implementation reports to be submitted to Ministers Responsible for Trade in 2017 and developed a revised Smart Form to help facilitate increased submissions;</p> <p>(8) Continuing to promote and expand the GHS Resource Exchange and Tool ("G.R.E.A.T.") website hosted by Chinese Taipei;</p> <p>(9) Contributed to the CTI's ARCAM workshop relating to identifying and overcoming barriers to the deployment of technologies for sustainable solid waste management infrastructure; and</p> <p>(10) Initiated a project with the Sub-Committee on Customs Procedures (SCCP) regarding information sharing and potential follow-up steps to address unnecessary divergences in approaches and treatment for the importation of chemicals.</p>
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<p>Life Sciences Innovation Forum (LSIF)</p>	<p><u>Advancing Regional Economic Integration (REI)</u></p> <p>LSIF continues to support the work done through the Global Medical Product Supply Chain Integrity Priority Work Area on the areas of good manufacturing practices, product traceability and authentication, detection technologies, internet sales, and good import/export practices. This has been done through the Regulatory Harmonization Steering Committee (RHSC)'s roadmap initiatives which include the Multi Regional Clinical Trials and Good Clinical Practices Inspection, Biotherapeutics, Good registration Management, Cell and tissue-based therapies, Pharmacovigilance and medical device vigilance and Global Supply Chain Integrity.</p> <p><u>Strengthening Comprehensive Connectivity and Infrastructure</u></p> <p>The LSIF and ABAC conducted a pilot project in the Philippines testing the efficiency of the use of Global Data Standards (GDS) for product verification in the pharmaceutical supply chain.</p> <p><u>Expanding Regulatory Cooperation and Advancing Regulatory Coherence</u></p> <p>LSIF's Regulatory Harmonization Steering Committee (RHSC) continued to carry out the following work:</p> <p>The APEC Harmonization Center (AHC) will provide support for a maximum of two Center of Excellence (CoE) pilot programs for any one given institution, in efforts to encourage the establishment of new APEC training institutions. Priority for AHC support will be given to new training institutions and to those training on new topics within the APEC RHSC Priority Work Areas (PWAs). AHC will survey topics of interest to the RHSC, with the assistance of PhRMA and BIO industry coalitions and COFEPRIS. AHC will host a teleconference for RHSC members in November 2016, to discuss requests received for AHC support.</p> <p>Multi Regional Clinical Trials and Good Clinical Practices Inspection Roadmap: PMDA will host a pilot CoE program in January 2017, as well as a symposium to review the outcomes of the PMDA, Duke-NUS and Peking University (PKU) pilot programs which were held earlier this year.. The symposium is designed to assess the degree of convergence in the region and to revise the curriculum, if needed, based upon the outcomes and discussion. A second pilot program at PKU in summer 2017 was endorsed. Both Duke-NUS and PKU requested information to become RHSC-endorsed CoEs.</p> <p>Biotherapeutics Roadmap: CoE Pilot Programs for APEC regulators were held at Northeastern University in September and at Seoul National University in November. Outcomes will be assessed by the end of 2016 to update the roadmap and CoE biotherapeutics curriculum..</p> <p>Good Registration Management Roadmap: Good Review Practices and Good Submission Practices have been merged into one roadmap – Good Registration Management, with Japan as co-Champion with Chinese Taipei. JPMA circulated a revised Good Submission Guideline to the RHSC in April, which was endorsed intersessionally. RAPS hosted a CoE Pilot Program for</p>
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	<p>experienced regulators and industry, in Chinese Taipei November 2016. COFEPRIS presented a proposal to host a CoE Pilot Program in late 2016/early 2017. This was endorsed by the RHSC.</p> <p>Cell and Tissue-based Therapies Roadmap: A CoE Pilot Program at Duke-NUS in early 2017 was endorsed. AHC support will be sought. An Industry Coalition for Advanced Therapies was endorsed. A representative from the Alliance for Regenerative Medicine will be invited to participate in the RHSC. Singapore has circulated a survey on standards relevant to cellular therapy products earlier this year, and is still awaiting responses in order to complete gap analysis. All RHSC regulators are encouraged to respond as soon as possible, as this information will be used for the CoE Pilot.</p> <p>Pharmacovigilance and Medical Device Vigilance Roadmap: The RHSC endorsed the merged Pharmacovigilance and Medical Device Vigilance roadmap. RHSC endorsed Korea to conduct a Pharmacovigilance CoE Pilot Program and workshop in September 2016 hosted by KIDS in Seoul. The format will be a one day workshop for industry, academia and regulators, and then a 3-day CoE Pilot Program. RHSC endorsed a medical device workshop to be held in Seoul in September 2016, to discuss a gap analysis in the region. MFDS will share the 2016 CoE Pilot Program curriculum with PMDA Japan. MFDS and HSA will discuss whether advanced therapies can be included in the Pharmacovigilance Roadmap.</p> <p>Global Supply Chain Integrity Roadmap & Workshop: Work in the 10 work streams is almost complete. The final work product, a “Roadmap for Supply Chain Security,” will weave together work products from each of the 10 work groups and respective toolkits into one comprehensive document that the group will deliver to the RHSC before SOM-1 2017. The United States Pharmacopeia presented a proposal for a CoE Pilot Program on Quality Standards and Implementation, to be held in the US in early 2017. This was endorsed by the RHSC. An ABAC-LSIF Pharmaceutical Serialization and Verification Workshop was hosted by the Philippines in October 2016. APEC regulatory authorities, RHSC members, and guests were invited to attend</p> <p><u>Promoting Innovative Development, Economic Reform</u></p> <p>LSIF collaborated with the Health Working Group (HWG) to organize the 6th APEC High-Level Meeting (HLM6) on Health & the Economy on 21-22 August. The meeting was chaired by the Minister of Health of Peru and organized jointly by the HWG and the LSIF. The overall objective of the meeting was to share and discuss perspectives and experiences prioritizing and financing investments in health and building innovative and efficient health systems to implement “Healthy Asia Pacific 2020 (HAP2020)” in support of the 2030 Sustainable Development Goals (SDGs). Both HAP2020 and the SDGs recognize that high impact investments in health systems yield tremendous benefits that help economies achieve their economic, social, and environmental goals.</p>
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	<p>LSIF welcomed the Regional Program on Licensing and Basic Startup on Sep 21-22, Bangkok, Thailand, and also Special Topic Program on ‘Technology Start Up’ on Nov. 9-10, Seoul, Korea this year.</p> <p>LSIF together with the ECSG proposed the development of an APEC Framework for the Secondary Use of Medical Data in Health and Medical Research. The next steps include the establishment of a Virtual Working Group (VWG); to include health officials, data privacy officials, regulators, and private sector experts to develop a draft framework. A draft framework will be presented at SOM1, 2017 and submitted for endorsement by Ministers/Leaders in November 2017.</p> <p>LSIF welcomed the intention of Finance Ministers Process officials to have a substantive dialogue over the course of 2017 on ways to address the fiscal and economic impacts of ill health. APEC economies are asked to engage with and encourage participation of their respective Budget and Finance Officials.</p> <p>LSIF welcomed the launch of the APEC Digital Hub for Mental Health and endorsed the APEC Report on Strategic Needs in Mental Health following the submission of inputs in 2015-2016 from 15 member economies.</p>
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ANNEX 2

Collective Action Plans (CAP) or Work Plans of CTI sub-fora

Tariffs and Non-Tariff Measures	2-2
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Tariffs and Non-Tariff Measures 2015 Collective Action Plan

Objectives	Action	Status 2014
A. Support for the multilateral trading system		
(a) Ensure the expeditious supply of updates to the WTO Integrated database and any APEC databases.	<i>Individual:</i> support the WTO by providing tariff and trade data annually in accordance with WTO obligations. Non-WTO members may provide this information as a voluntary measure. <i>Collective:</i> seek ways to improve the accessibility of tariff and ROO information newly established APEC Trade Repository.	<ul style="list-style-type: none"> Member Economies are encouraged to utilize the APEC Trade Repository (APEC TR), an interactive online reference for APEC member economies' tariff and trade regimes. The old WebTR has been taken down since June 2016.
(b) Undertake practical work in support of the multilateral trading system	<i>Collective:</i> Seek concrete actions to support the multilateral trading system	<ul style="list-style-type: none"> As at July 1, 2016, all WTO Members have benefitted from enhanced market access under the WTO ITA II into the majority of the participating economies, which includes eight APEC economies: Canada; Hong Kong, China; Malaysia; New Zealand; Singapore; Chinese Taipei; Thailand and the United States.
B. Making Rules of Origin (ROO) More Business Friendly		
(a) Examine measures for making ROOs more business-friendly	<i>Collective:</i> Conduct analysis, survey and information sharing in the areas of: a) Harmonization; b) Simplification of documents and procedures c) Self-Certification	<ul style="list-style-type: none"> Continuous effort by each member economy on self-certification initiatives.
C. Trade Facilitation		
(a) Pursue a series of seminars/policy discussions on trade facilitation measures	<i>Collective:</i> Share information and experiences in facilitating trade.	<ul style="list-style-type: none"> Led by the US, MAG endorsed the proposal on increasing transparency on export-related measures. Economies will begin reporting in 2017 the following types of measures: <ul style="list-style-type: none"> - Export subsidies (already subject to reporting in IAPs); - Export duties and taxes, indicating rates and to which products the duties or taxes apply, if possible according to HS codes; - Quantitative export restrictions applied on an MFN basis (not those implemented bilaterally or as a result of a bilateral agreement);

Objectives	Action	Status 2014
		<ul style="list-style-type: none"> - Products (if possible identified by HS code) subject to export licenses and export licensing procedures. • In support of the Boracay Action Agenda (BAA) in globalizing MSMEs, the Philippines has conducted the 2016 Information Gathering Exercise on Simplification of Documents and Procedures, Increasing Transparency of Measures Relating to Exports, and the Pathfinder on Self-Certification. The preliminary results of the stock take was tabled at the 51st MAG Meeting in Lima.
D. Activities with ABAC and/or Other External Stakeholders		
Collaborate and work with ABAC and/or other stakeholders on the MAG agenda	<i>Collective:</i> Enhance collaboration with other relevant fora and business	<ul style="list-style-type: none"> • MAG continuously working closely with ABAC to garner more inputs from the business community. • ABAC provides constant update on latest development within ABAC in relation to MAG. • MAG invited the World Energy Council (WEC) to provide a briefing at the 51st MAG Meeting on its report titled the Non-Tariff Measures: Next Steps for Catalysing the Low-Carbon Economy which will be released soon. This report focuses on identifying the major NTMs inhibiting greater liberalisation of trade in energy goods.

Services 2016 Collective Action Plan

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last implemented actions
a. Identification of measures affecting trade and investment in all service sectors.	<p>Member economies to volunteer papers and studies in this area and consider cases of “best practices”</p> <p>Improve understanding of trade and investment issues with respect to individual services</p>	<p>On-going</p> <p>On-going</p>	<p>GOS is finalizing the draft Compendium of Policy and Regulatory Practices: Guiding Principles for Services Sectors, which is the final product of the Australia-led series of symposia on good policy and regulatory practices of 8 services sectors (accounting, legal, architectural and engineering, logistics and transport, telecommunications and ICT, mining and energy, financial and higher education services). The Compendium is aimed to support APEC’s work on services beyond 2016.</p> <p>PSU has published the reports on the Case Studies on the Role of Services Trade in Global Value Chains for telecommunications sector in Papua New Guinea and transportation services in Chile.</p>
b. Compile information on services trade statistics	To enhance capacity on trade statistics and respond to the challenges of services trade data collection	Ongoing	GOS continues to develop projects to implement the action plan on services trade statistics.
c. To improve understanding of the impact of liberalization of services.	Member economies to present case studies of their experiences on a voluntary basis aiming to generate momentum for services liberalization in	Completed	GOS participated in the Joint EC-CTI Dialogue on Services held at the margins of SOM3 in Lima. The following case studies on experience on sector reforms and policy lessons were presented by appointed consultants: i) Retail services in China

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last implemented actions
	light of perceived benefits of such process.		<p>ii) Air transport services in Indonesia</p> <p>iii) Telecommunications sector in Papua New Guinea</p> <p>Peru organised the Capacity Building Workshop on Negotiations of Services Chapters under FTAs with a Negative List Approach at the margins of SOM3 in Lima, focusing on key chapters such as financial services, telecommunications, temporary entry and E-commerce.</p>
d. Enhance transparency in service sectors	<p>APEC Services Trade Access Requirements (STAR) Database</p> <p>Compendium of Policy and Regulatory Practices: Guiding Principles for Services Sectors</p>	<p>On-going</p> <p>On-going</p>	<p>Phase 4 of the STAR database is now being implemented by expanding the coverage to 8 services sectors with all 21 APEC economies. Nonetheless the issue of long-term maintenance of the database needs to be resolved.</p> <p>GOS is finalizing the draft Compendium of Policy and Regulatory Practices: Guiding Principles for Services Sectors, which is the final product of the Australia-led series of symposia on good policy and regulatory practices of 8 services sectors (accounting, legal, architectural and engineering, logistics and transport, telecommunications and ICT, mining and energy, financial and higher education services). The Compendium is aimed to support APEC's work on services beyond 2016.</p>

Collective Action Plan 2016 for Investment

Action	Steps to Implement	Time Frame
<p>Transparency <i>Short-Term</i></p> <p>A. Increase the transparency of APEC Investment regimes, especially via enhanced e-transparency</p>	<p>1. Promote accessibility and transparency in the formulation and administration of investment-related policies:</p> <p>a) Update the e-portal to replace the hard copy publication the <i>APEC Investment Guidebook</i></p> <p>b) Have “APEC Public-Private Dialogues on Investment” to enhance Transparency and involvement of Private Sector.</p> <p>· IEG PPD: Fostering SME Growth through Inclusive Business (Philippines)</p> <p>2. Establishing software networks on investment regulation and investment opportunities</p> <p>a) Explore ways to improve the state of statistical reporting and data collection</p> <p>b) Establish a single window or special enquiry point for all enquiries concerning investment policies and applications to invest</p> <p>c) Adopt a centralised registry of laws and regulations and make this available electronically.</p> <p>d) Apply new technology to improve information, application and approvals processes</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
<p>Policy Dialogue <i>Short-Term</i></p> <p>B. Promote dialogue with the APEC business community on ways to improve the APEC investment environment</p>	<p>1. Have “APEC Public-Private Dialogues on Investment” with Business sector including ABAC to enhance Transparency and involvement of Private Sector.</p> <p>See A. 1. b)</p> <p>2. Maintain regular contact with ABAC and other relevant business organizations including:</p>	<p>Ongoing</p> <p>Ongoing</p>

Action	Steps to Implement	Time Frame
	<p>a) Discuss at IEG meeting issues of relevance to IEG raised at ABAC's meetings and ABAC's recommendations to Leaders in the previous year.</p> <p>b) Consider possible joint projects suggested by IEG or business organizations.</p> <p>3. Request input from ABAC on major APEC investment initiatives including through participation at IEG meetings, ABAC letters to IEG Convenor and other IEG events such as workshops, seminars, or investment symposia.</p> <p>4. Investment Policy Dialogue sharing experience amongst APEC investment policy-makers and regulators (among IEG members)</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Commenced at IEG2 in August 2016</p>
C. Continue dialogue with appropriate international organizations dealing with global and regional investment issues	1. Establish a policy dialogue process and collaboration with other international organisations on current and emerging international investment issues, where appropriate.	Ongoing
<p>Study and Evaluation Short-Term</p> <p>D. Undertake an evaluation of the role of investment liberalization and facilitation in strengthening regional economic integration in the Asia-Pacific region for economic growth and development.</p>	Consider extent to which existing peer review mechanisms assist in meeting APEC's strengthening regional economic integration objectives and options for improvement.	Ongoing
E. Study possible core elements between existing sub-regional arrangements relevant to investment	Review the investment provisions of current sub-regional arrangements including RTAs/FTAs, and identify possible core elements, including the relationships between these provisions.	Ongoing

Action	Steps to Implement	Time Frame
F. Refine APEC's understanding of free and open investment	<p>In the context of the 2012 progress assessment of the Bogor Goals, assess the recommendations of Leaders as far as investment liberalization and facilitation and as necessary developing a new work program. Take into account Leaders' Declarations since then.</p> <p>Strengthen the use of quantitative indicators for improving understanding of APEC economy investment climates including consideration of reports from the Regional Investment Analytical Group (RIAG) and ABAC.</p>	2012 – Ongoing
Medium & Long-Term		
G. Assess the merits of developing an APEC-wide discipline on investment in the light of APEC's own progress through the medium-term, as well as developments in other international forums	To be determined in the light of progress with policy dialogue in the medium-term.	Ongoing
H. Study the advantages and disadvantages of creating investment rules – bilateral, regional, or multilateral – with a view to fostering a more favorable investment environment in the Asia-Pacific region	<p>Where feasible, contribute to SOM studies on ways and means to promote regional economic integration, particularly investment issues as they relate to :</p> <ul style="list-style-type: none"> · Identifying Convergences and Divergences in APEC's RTAs/FTAs 	Ongoing
Facilitation		
Short-Term and Continuing		
<p>I. Undertake practical facilitation initiatives by:</p> <p>(i) Implement the Investment Facilitation Action Plan</p>	<p>Implement its underlying eight principles with broad menu of actions.</p> <p>Focus on the priority actions endorsed for 2015-2016.</p> <p>Report on IFAP progress in annually.</p>	<p>Ongoing</p> <p>2015 - 2016</p> <p>Ongoing</p>

Action	Steps to Implement	Time Frame
(ii) Progressively work towards reducing impediments to investments	Implement the principles identified through the IFAP process to promote further investment facilitation according to <i>APEC Strategy for Investment</i> .	Ongoing
(iii) Initiating investment facilitation activities to enhance investment flows within APEC economies	Implement activities under <i>APEC Strategy for Investment</i> . (See Section K.)	Ongoing
(iv) Implement the Non-Binding Investment Principles	Discuss the necessity of more regular updates on NBIPs and work for further implementation.	Ongoing
Economic and Technical Cooperation <i>Short-Term</i> J. Identify ongoing technical cooperation and capacity building needs in the Asia-Pacific region and organize training programs which will assist APEC economies in fulfilling APEC investment objectives.	1. Share successful experiences of APEC economies in investment liberalization, facilitation and promotion in the APEC region through identifying key success factors including improved policies. 2. Enhance planning, development and implementation of policies concerning international investment rules.	Ongoing 2013 -
Capacity Building Initiatives K. Undertake new activities that contribute to capacity building.	Identify the elements of capacity building to strengthen the economies of APEC member economies and undertake the following activities categorizing 3 pillars under <i>APEC Strategy for Investment</i> . 1. Advanced Principles and Practices 2. Facilitation · Enhancing the Investment Environment in APEC and ASEAN Economies (Australia) · Receive and consider inputs from the Regional Investment Analytical Group (RIAG) through ABAC 3. Promotion	Ongoing

Action	Steps to Implement	Time Frame
	<ul style="list-style-type: none"> · Guidebook on PPP Frameworks in the APEC Region 2013 - 2015 (Indonesia), IEG members to update. 	Ongoing
<p>Menu of Options</p> <p>L. Ongoing improvements to the Menu of Options.</p>	Cross-reference between the IAPs and Menu of Options.	Ongoing

Improvements in Customs Control on Cross-border E-commerce				
Objective:				
To increase awareness of the opportunities and challenges brought by cross-border E-commerce.				
To share information and increase knowledge among APEC economies about laws, regulations, supervision and risk indicators on cross-border e-commerce in order to draft recommendations.				
To create an action plan for cross-border e-commerce in APEC to strengthen the cooperation among member Customs.				
Action:				
Through information and experience exchange and capacity building activities, APEC Member Customs will better promote the development of cross border E-commerce.				
Coordinator: China, Korea				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To present good practices and recommendations of Member Customs.	2016 (SCCP1)	Member Economies	In progress	China
To promote better growth of cross-border E-commerce, through enhanced awareness of cross-border E-commerce and external cooperation in this regard.	By the end of 2017	More than half of APEC Member Customs will develop rules or regulations and implement procedures in customs control on cross-border E-commerce.	In progress	China Australia, Chile, Korea, Hong Kong China
Implemented actions				
1. APEC Workshop on Customs Control on Cross-border E-commerce was held on September 16-18, 2015 in Hangzhou China.				
2. Capacity Building Research on Customs Control of Cross-Border E-Commerce has been conducted by China.				

Development of Single Window and promotion of international interoperability				
Objective: To increase the efficiency of international supply chain through harmonization, simplification, strengthened transparency, introduction of modern technologies, and collaboration with the stakeholders.				
Action: Customs and trade procedures will become more efficient through introduction and implementation of ICT systems, Single Windows, and interconnection among the systems and Single Windows.				
Coordinator: Chinese Taipei, United States				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To monitor the state of Customs ICT system, Single Window and one-stop shop of economies to identify good practices and challenges in this field	2016 (SCCP1)	To identify current status of all economies in order to feed in the activity concept to share the experiences of Single Window development and implementation and the system interconnection.	2014 Survey was completed.	Chinese Taipei and Japan
To peer the progress and exchange goods practices and learning in Single Window development and implementation	2016	Attending economies share the updated information on the progresses and lessons learned in introducing and implementing Single Window.	In progress	US
To monitor the state of Customs ICT system, Single Window and one-stop shop of economies to identify good practices and challenges in this field	2018	To identify the status of all economies in order to feed in the activity concept to share the experiences of Single Window development and implementation and the system interconnection.	(not yet started)	Chinese Taipei and US
Implemented actions				
<ul style="list-style-type: none"> • SW Strategic Plan (2007); SW Implementation Guide (2009); and SW Report – Working towards the implementation of SW in the APEC economies and international interoperability (2010) • Single Window regional workshops took place in 2011 and 2012. • Stocktaking survey was conducted in 2010, 2012 and 2014; the results were presented at SCCP meetings. • Diagnostic Report for Chokepoint 4 of APEC Supply Chain Connectivity Action Plan contained the summary results of 2012 SCCP survey. 				

Strengthening of IPR Border Enforcement				
Objective: To promote the economic activities of legitimate IPR holders, distributors and consumers by strengthened border control against IPR infringement with an aim to promote innovative growth, secure international supply chain and promote investment.				
Action: Border control against IPR infringement articles will become more effective in line with international norms and best practices and the interest of right holders as well legitimate distributors and consumers.				
Coordinator: Hong Kong, China and US				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To monitor the state of IPR border enforcement and initiatives in the economies and to update the strength and weakness	2016 (SCCP1)	To identify current status of all economies in order to develop the targeted capacity building program	2015 IPR check sheet was circulated; the results have been compiled and assessed.	Hong Kong, China and Japan
IPR joint operation	2016 (SCCP 2)	To identify counterfeit trademark items related to transportation infringing goods and share results and trends with other APEC Economies.	The IPR Operation is currently underway and results will be reported at the 2016 SCCP2 Meeting.	US
To monitor the state of IPR border enforcement and initiatives in the economies and to update the strength and weakness	2018	To identify the status of all economies in order to assess the overall progress on IPR border Enforcement	(not yet started)	Hong Kong, China and US
Implemented actions				
<ul style="list-style-type: none"> • The APEC Guidelines for Customs Border Enforcement of Counterfeiting and Piracy prepared by Hong Kong, China and Japan was endorsed at SCCP2 in 2011. • SCCP IPR Check sheet Survey was conducted in 2011, 2013 and 2014. • SCCP/IPR Regional workshop took place in Hong Kong China in November 2014 				

Introduction and Implementation of Passenger Name Record				
Objective: To facilitate and secure cross border movement of passengers and the accompanied goods by implementing advance passenger risk analysis in adopting internationally harmonized standards and best practices				
Action: Customs control on passengers and the accompanied goods will be facilitated and secured by applying advance risk analysis along with international best practices, notably international standard for electronic message of PNR (PNRGOV).				
Coordinator: Indonesia, Japan, Mexico				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To update the information on Customs use of PNR by the economies and to update the strength and weakness in/for the use of PNR	2016	To identify the status of all economies in order to identify commonly observed strength and weakness in/for the use of PNR	In process	Japan
To update and exchange best practices/ lessons learned regarding PNRGOV, in securing and facilitating the legitimate travelers, by a regional workshop	2016	All participants understand the importance and key factors of PNRGOV and its use for better Customs advance risk analysis on passengers, and whilst ensuring the movement of legitimate travelers, in term of business and tourism.	In process	Indonesia
<i>Evaluation</i>	<i>2016</i>	<i>Find out whether the workshop has been useful for participants and identify further needs.</i>	<i>(not yet started)</i>	<i>Indonesia</i>
Implemented actions				
<ul style="list-style-type: none"> Indonesia circulated a survey questionnaire among SCCP Members in April-May 2013 Indonesia reported the result of the survey in SCCP 2 Of 2013 Indonesia has promoted PNRGOV in the APEC High Level Policy Dialog on Travel Facilitation, in Bali, October 2013 Indonesia organized a regional workshop on PNRGOV in Bali in October 2013. Indonesia presented its work on PNR at SCCP1 and 2 of 2014 as well as SCCP1 of 2015. Japan presented its work on PNR at SCCP1 of 2015. PNR Survey was conducted in 2015; the results were presented at SCCP2 of 2015. 				

Promote self-certification/declaration of the origin of goods for preferential purposes				
Objectives:				
<ul style="list-style-type: none"> • enhance traders' understanding of preferential rules of origin, • promote the use of self-certification/declaration of the origin for preferential purposes in the APEC region in order to • facilitate trade by reducing administrative burden with documentation. 				
Actions:				
<ul style="list-style-type: none"> • Phase 1 understanding the status quo <ul style="list-style-type: none"> ○ research origin certification methods agreed in the FTAs within the APEC region • Phase 2 promote the use of self-certification/declaration within APEC region <ul style="list-style-type: none"> ○ action items to be identified • Phase 3 evaluation <ul style="list-style-type: none"> ○ evaluate the outcomes and plan for next steps 				
Coordinator: New Zealand				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
Information gathering	SCCP 2, 2016	<ul style="list-style-type: none"> ○ A good understanding of current practice of evidencing origin in the APEC region. ○ Potential areas for improvement are identified. 	Planning stage	New Zealand
Consider options for promoting self-certification/declaration	SCCP1, 2017	<ul style="list-style-type: none"> ○ Action items are identified. 		
Carry out action items	SCCP1, 2018	<ul style="list-style-type: none"> ○ Outlined objectives are achieved. 		
Evaluate outcomes	SCCP2, 2018	<ul style="list-style-type: none"> ○ Outcomes of the action items are analysed. ○ Next steps are identified. 		
Implemented actions				
None at this stage.				

Enhancement of cooperation with stakeholders				
Objective: To facilitate trade, improve compliance and enhance security through enhanced cooperation between Customs and stakeholders				
Action: Enhanced cooperation with stakeholders will make the Customs procedures more trade friendly, improve the trade compliance and obtain more cooperation from the trade to enhance security.				
Coordinator: Mexico				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
Monitor the cooperation establishment of National Committees on Trade Facilitation where private sector serves as a guide to foreign trade policy	2016	To identify the status of all economies in order to identify commonly observed strengths and weaknesses on the establishment of a National Committee on Trade Facilitation	(not yet started)	Mexico
<i>Development of AEO programs and mutual recognition arrangements</i>	2018	<i>Promote Capacity Building activities among the member countries to exchange best practices and experiences on developing the necessary national legal framework for AEO's, including the certification of new actors, negotiating MRA's as well as learn how to effectively implement the agreement.</i>	<i>In process</i>	Mexico
		<i>These training activities can be provided to current AEO specialists, Program Leaders and representatives of the economies currently developing the program.</i>		
		<i>On the subject of Mutual Recognition Agreements, promote signing Actions Plans within the region such as the case of the Pacific Alliance.</i>	<i>In process</i>	Mexico
		<i>Periodical updating of AEO Studies, such as the study developed by the PSU as well as propose new</i>	<i>In process</i>	Mexico

		<i>mechanisms to compile useful information in order to gain experience, successful outcomes and share the challenges faced by all member countries.</i>		
<i>Enhancement of inter-agency coordination, particularly along with Pillar 3 of WCO SAFE</i>	2017	<i>Stock-taking of security measures imposed by OGA regarding international movement of goods</i>	(not yet started)	Philippines
		<i>Stock-taking of joint inspection and supporting mechanisms</i>	(not yet started)	Philippines
Implemented actions				
<ul style="list-style-type: none"> • APEC AEO Compendium was published in 2010. • PSU is producing a “Study of APEC Best Practices in Authorized Economic Operator (AEO) Programs”. 				

Implementation along with the WCO Immediate Release Guideline				
Objective: To provide facilitative procedures for those merchandises requested immediate release upon the arrival by the traders in line with WCO Immediate Release Guideline				
Action: Enhance trade facilitation through the implementation of facilitative measures following the WCO Immediate Release Guideline, including pre-arrival processing, de-minimis, and immediate release upon the arrival of merchandises.				
Coordinator: Japan, Philippines				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To stock take the implementation status along with the WCO Immediate Release Guideline	2016	To identify the status of all economies in order to develop the targeted capacity building program	(not yet started)	Japan, Philippines
Implemented actions				
<ul style="list-style-type: none"> • 2014 Diagnostic Report for Chokepoint 4 of Supply Chain Connectivity • SCFAP Capacity Building 				

Conduct of Time Release Surveys				
Objective: To identify the bottlenecks and the area of further improvements at the border posts by collecting, analyzing and sharing the objective data with the stakeholders.				
Action: Measurement of time necessary to clear the goods will visualize the supply chain bottlenecks at the border posts and enable the decision makers of the stakeholders to consider the most appropriate solution and resource management to further improve the situations.				
Coordinator: Australia (P), Korea, Viet Nam				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
To monitor the state of TRSs	2017	To identify the status of all economies in order to develop the targeted capacity building program	(not yet started)	Australia (P), Korea, Viet Nam
Implemented actions				
<ul style="list-style-type: none"> • 2013 Questionnaire Survey on Time Release Study • 2014 Diagnostic Report for Chokepoint 4 of Supply Chain Connectivity 				

Establishment of Reporting Mechanism for the Implementation of the Boracay Action Agenda (BAA) to Globalize MSMEs				
Objective: To provide a reporting mechanism that can ensure effective implementation of the APEC Boracay Action Agenda to globalize MSMEs				
Action: Develop a Reporting Template that can be used in monitoring and consolidating programs being undertaken by the committees, working groups, and sub-fora in preparation for the stocktake and mid-term review of the BAA in 2018				
Coordinator: Philippines				
Indicator for implementation	Target year	Target outcomes (Quantitative/Qualitative)	Status/Progress	Lead economies
Reporting Template: <ul style="list-style-type: none"> • Developed and adopted • Used by Committees, Working Groups and Sub-for a 	2016 SCCP 2 2017 SCCP1 and beyond	A document showing the status/progress of implementation	In process	Philippines
Implemented actions				
Submitted for consideration at the margin of SOM1 2016				

<p>Lead Economy: Viet Nam</p>	<p>Contact: Nguyen Van KHOI (Mr.), Standards Department Directorate for Standards, Metrology and Quality (STAMEQ) E-mail: nguyenvankhoi@tcvn.gov.vn Phone: (844) 37911 629; Fax: (844) 37911 595</p>
<p>Desired Outcome: For consideration</p>	
<p>Recommendations: SCSC members are invited to consider and make comments on the Report on Implementation of SCSC CAP 2016.</p>	
<p>Summary: This is a report presenting the implementation of the SCSC CAP 2016 (status as of October 2016). The Report has been submitted at the SCSC2/2016 meeting (in August) for considering and commencing by SCSC members.</p>	

REPORT
On Implementation of SCSC CAP 2016
(Status as of 30 June 2016, with some amendments as of October 2016)

I. SCSC CAP 2016 and Implementation

1. Brief of SCSC CAP 2016

The Draft SCSC CAP 2016 was submitted by Viet Nam at the SCSC 2 meeting in Lima, Peru on 20-21 August 2016. Draft CAP 2016 is prepared on the basis of areas of cooperation with removal of actions/activities (projects) fully completed and the minutes discussion on CAP at SCSC 1 in 2016. Base on discussion on CAP at SCSC 1 in 2016, a NEW FORMAT of Draft CAP 2016 is prepared, SCSC members are invited to make comments.

SCSC CAP 2016 consists of 9 areas of cooperation which has projects/activities as follows:

1. Alignment:	01 action;
2. Good Regulatory Practice:	01 action;
3. Recognition of Conformity Assessment:	02 actions;
4. Technical Infrastructure Development:	05 actions (Action 4 having 17 projects);
5. Transparency:	02 actions;
6. Cooperation with SRBs:	01 action;
7. Cooperation with International bodies:	01 action;
8. Cooperation with APEC fora:	04 actions (Action 2 having 02 activities).
9. Reform of SCSC:	02 action.

2. Implementation of SCSC CAP 2016 (status as of 30 June 2016):

All activities/projects of 9 areas of cooperation were implemented with relevant and certain of success. The implementation status of SCSC CAP 2016 is as follow:

2.1. Completed activities/projects:

The following activities/projects have been completed:

- 1) Development of a Guideline for the Harmonisation of Pesticide Maximum Residue Limits (MRLs) for Imported Foods within APEC Economies (SCSC 01 2015S);
- 2) APEC Conference on Management and Related Scientific Detection of Food Additives in Foods (SCSC 02 2015S);
- 3) APEC Survey on Packaging and Labeling Requirements for Pre-Packaged Food Products (SCSC 03 2015S);
- 4) Building Convergence in Food Safety Standards and Regulatory Systems (MYP CTI 03/12A)
- 5) APEC Wine Regulatory Forum – Public-Private Dialogue: Risk Management and Certification Requirements for Regional Trade in Wine (CTI 06 2012T);
- 6) The Role of Standards and Conformity Assessment Measures in Enhancing the Performance and Energy Efficiency of the Commercial Building Sector (MYP CTI 02 2012A)
- 7) Aligning Energy Efficiency Regulations for ICT products – Implementing a Strategic Approach (CTI 27 2013A)
- 8) 8th GRP Conference (CTI 20/2014);
- 9) Facilitating trade through updates on food safety regulatory standards of APEC economies (CTI 18/14A);
- 10) Medical External Quality Assurance (EQA) Capacity Building Program (CTI 24/14A);

11) Coordinated Research Initiative for the Implementation of Antimicrobial Control Strategies (CTI 25/14A);

Note: Project overseers are requested to report on/inform about the final results of the fully completed projects.

2.2. In-process activities/projects:

The following activities/projects are in implementation:

- 1) The SCSC to continue identifying additional priority areas for alignment with international standards;
- 2) The SCSC to continue to investigate means of enhancing regulatory practices in the APEC region through a program of case studies, seminars and organization of SCSC Conference on GRP in conjunction with SCSC Meeting;
- 3) Member economies to consider participation in Food safety cooperation forum and Sectoral food MRA;
- 4) Member economies to consider participation, review and improve its effectiveness in the MRA of conformity assessment of Electrical and Electronic Equipment, and encourage the involvement of their regulator;
- 5) Member economies to encourage ongoing participation and expansion in APLAC-MRA, PAC MLAs and CIPM Global MRA;
- 6) Member economies to strengthen participation in Specialist Regional Bodies activity;
- 7) The SCSC to support and actively participate in APEC/SCSC Conferences on Standards and Conformance;
- 8) Member economies to support and actively participate in APEC Conferences on Good Regulatory Practice;
- 9) Wine Regulatory Forum Strategic Plan to Implement Good Regulatory Practices through Capacity Building and Regulatory Cooperation/ Wine Regulatory Forum - Good Regulatory Practices Action Plan;
- 10) Harmonizing standards and Enhancing Technical Capacity in Measurement and Verification of Energy Savings (CTI 13/14A);
- 11) Train the Trainer Workshop on Aquaculture Focused on Emerging Animal Diseases and Food Safety (CTI 09 2015);
- 12) Capacity-building and Awareness Project on Enhancement of Total Environmental Efficiency (Energy/ Carbon and Material Efficiency) through MFCA, ISO 14051;
- 13) Supporting MSMEs trade facilitation through Standardization activities (CTI 13 2015A);
- 14) 11th Conference on Standards and Conformance (CTI 20 2015T);
- 15) The SCSC to support capacity building oriented to training business, especially SMEs, improving their knowledge, expertise and skills on standards and conformance matters, including public consultation;
- 16) Member economies to update the APEC Contact Points for Standards and Conformance Information, including member economies' participants in the Specialist Regional Bodies and member economies SCSC Contact Points;
- 17) Member economies agreed that this information should be maintained on the APEC Secretariat's homepage;
- 18) SCSC to pursue closer cooperation with the Specialist Regional Bodies (SRBs) e.g. in development of technical activities relevant to SRBs;
- 19) The SCSC to monitor the developments within the WTO Committees on the TBT and SPS and discuss implementation issues;
- 20) The SCSC to pursue further coordination with other APEC fora;
- 21) Involvement of the business in the SCSC's Conferences on GRP and SCSC's conference on Standards and Conformance;
- 22) ABAC/Industry-SCSC dialogue on specific SCSC's activities interested by business at SCSC conferences and meetings;

- 23) The SCSC to hold Policy Dialogue sessions on standards and conformance and follow-up the policy implications arising from them;
- 24) The SCSC to collaborate with SMEWG on the work plan in support of the collaboration;
- 25) Member economies to suggest their initiatives/recommendations for further development and implementation of SCSC CAP.

Note: Project oversees are requested to report on/inform about the progress/preparation for implementation of the projects.

2.2. New concept notes (at Project Session 2 in 2016):

The following Concept Notes have been submitted:

- Implementation of ISO 22301:2012 on Business Continuity Management System to Reduce Risk and Resilience Building for Sustainable Development of APEC-MSMEs in Global Supply Chain (CN – by Viet Nam);
- Best Practices Sharing for Effective Water Management (CN – by Viet Nam);
- Facilitating Trade through the Strengthening of Food Safety Emergency Systems of APEC Economies (CN – by Chile);
- Building Competence in Antimicrobial Resistance Surveillance Methodologies (CN – by Chile);
- Harmonization of MRL Setting Process in the Asian Region through Training on Pesticide Residue Evaluation (CV – by Japan);
- APEC LED Lighting Health Test/Evaluation Technology and Standardization Workshop (CN – by China)

Among them, two Concept Notes namely “Facilitating Trade through the Strengthening of Food Safety Emergency Systems of APEC Economies” and “Harmonization of MRL Setting Process in the Asian Region through Training on Pesticide Residue Evaluation: were funded.

II. Recommendations:

1. Lead economies responsible for specific actions/activities in the SCSC CAP 2016 should provide comments/updates to Viet Nam for updating implementation status and report on the progress or results of their in-charge actions/activities at coming SCSC meeting(s).
2. Basing on comments/updates contributed by member economies, Viet Nam will prepare the report on implementation status for the SCSC2 2016.

Updated Implementation of SCSC/CAP 2016 (status as of 30 June 2016) was presented in the table below:

APEC/SCSC's CAP 2016 ON TRADE FACILITATION

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
1. Alignment						
	The SCSC to continue identifying additional priority areas for alignment with international standards.	Japan	From 1997	To identify additional priority areas for the VAP alignment work.	In process	<p><u>Japan</u> briefed on the further activity on the VAP work at SCSC1/2015.</p> <p><u>Japan</u> circulated to SCSC members the questionnaire to evaluate a new format of the VAP survey in March 2015.</p> <p><u>Japan</u> reported on the results of the questionnaire for the VAP survey and propose a revised survey format at SCSC2/2015.</p> <p><u>Japan</u> briefed on the VAP survey in 2016 at SCSC1 /2016.</p>
2. Good Regulatory Practice						
	The SCSC to continue to investigate means of enhancing regulatory practices in the APEC region through a program of case studies, seminars and organization of SCSC Conference on GRP in conjunction with SCSC Meeting	United States	From 2000	Means of enhancing regulatory practices recommended for implementation	In process	<p><u>Malaysia, United States, Philippines and Indonesia</u> briefed/informed on GRP activities/measures recently taken in their economies, at SCSC1/2015.</p> <p><u>Philippines</u> reported on the 8th Conference on GRP (CTI 20/2014) at SCSC1/2016.</p>

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
						United States updated on the Baseline study of Good Regulatory Practices in APEC member economies at SCSC1/2016.
3. Recognition of Conformity Assessment						
	In regulated sector:					
	1) Member economies to consider participation in Food safety cooperation forum and Sectoral food MRA	Australia, China, Thailand	From 1997	- Review yearly participation and its effectiveness in Food , food recall and Sectoral food MRA - Implementation of the measures to improve the effectiveness participation	In process	SCSC members provided updates on participation in Food safety cooperation forum and Sectoral food MRA at SCSC2/2013. Indonesia reported on the results of the April's workshop at SCSC2/2013.
	2) Member economies to consider participation, review and improve its effectiveness in the MRA of conformity assessment of Electrical and Electronic Equipment, and encourage the involvement of their regulators.	JRAC Chair	From 2000	- Review yearly participation and its effectiveness in EE MRA - Regulators participation of all member economies in EE MRA	In process	JRAC Chair (Korea) reported on the progress of the JRAC EEMRA and the proposed JRAC seminar at SCSC2 /2016.
	Voluntary sector:					

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
	3) Member economies to encourage ongoing participation and expansion in APLAC-MRA, PAC MLAs and CIPM Global MRA.	Indonesia	From 1998	Increased number of member economies participating in MRAs and technical activities underpinning their participation	In process	SCSC members informed about participation and expansion in APLAC-MRA, PAC MLAs and CIPM Global MRA at SCSC2/2013.
4. Technical Infrastructure Development						
Promote cooperation for technical infrastructure development to facilitate	1) Member economies to strengthen participation in Specialist Regional Bodies activities.	Member economies	From 1996	- Increased number of member economies participating in SRBs - Active participation in SRBs activities strengthened	In process	SCSC members , as the project proposers, to contact the SRBs during the development of proposals to enhance SRBs contributions to SCSC activities.
Broad participation in promote cooperation for technical infrastructure development	2) The SCSC to support and actively participate in APEC/SCSC Conferences on Standards and Conformance.	Host economy	From 2006	- SCSC to organize the conference in every 02 years - SCSC support host economies in encouraging all member economies actively to take part in conference and to provide speakers for conference.	In process	The 11 th Conference on Standards and Conformance will be held in Peru in the margins of SCSC 2/2016 (APEC Project CTI 20 2015T)
To facilitate broad participation in mutual recognition arrangements in both regulated and	3) Member economies to support and actively participate in APEC Conferences on Good Regulatory Practice.	Host economy	From 2006	- SCSC to organize the conference in every 02 years - All member economies actively to take part in conference - Member economies to provide speakers for conference	In process	- The 8 th GRP Conference was held in Cebu, Philippines on 27-28 August 2015 in the margins of SCSC2/2015. <u>Peru, Indonesia, Philippines, New Zealand</u> presented/reported on technical infrastructure

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
voluntary sectors						development in their respective economies at SCSC 1/2015. <i>Peru</i> reported on technical infrastructure development in their economy at SCSC 1/2016. <i>SCSC members</i> are invited to update on technical infrastructure development in their respective economies at SCSC 2/2016.
	4) The SCSC to undertake the following technical infrastructure projects					
	4.1- Building Convergence in Food Safety Standards and Regulatory Systems (MYP CTI 03/12A)	United States, China, Australia	December 2012- December 2017	This project supports engagement of regulators, industry, and academic experts at FSCF and PTIN meetings, related workshops and capacity building trainings. Project activities promote alignment in priority areas of strengthening food safety regulatory systems, food incident management, laboratory capacity, risk analysis and supply chain management.	In process	<i>China</i> reported on the progress of M CTI 03/12A at SCSC 2/2015. <i>United States</i> reported on the progress of Laboratory Capacity Building activity under M CTI 03/12A at SCSC1/2015. <i>Australia and China</i> reported on the plans for the convening of FSCF in 2015 at SCSC1/2015. <i>United States</i> provided information on additional work planned under multi-year project Building Convergence in Food Safety Standards and Regulatory

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
						Systems (MYP CTI 03 2012A) at SCSC1/2016.
	<p>4.2- Wine Regulatory Forum Strategic Plan to Implement Good Regulatory Practices through Capacity Building and Regulatory Cooperation/ Wine Regulatory Forum - Good Regulatory Practices Action Plan</p> <p>(MYP CTI 01 2013A)</p>	United States	2013-2017	This project seeks to increase developing economies' capacity as regulators in each of those areas. Through active participation in the activities and technical events, these economies will gain improved assurance of the safety of imported wine. A reduction in unnecessary impediments to trade, such as redundant export certificate requirements, and a better understanding of foreign regulatory regimes and wine science, will lead to increased opportunities for developing economy wine exports.	In process	<p>United States reported on the results of the Washington DC's Workshop held on 4-6 November 2013 at SCSC1/2014.</p> <p>United States reported on progress of M CTI 01/13A and upcoming Wine Regulatory Forum to be held on 11-12 September 2014 in Beijing, China at SCSC2/2014.</p> <p>United States reported on M CTI 01/13A "2015 APEC Wine Regulatory Forum (WRF) Export Certificate Goal Paper" at SCSC 2/2015.</p> <p>United States reported on M CTI 01/13A "2015 APEC Wine Regulatory Forum (WRF) Export Certificate Goal Paper" at SCSC 2/2015.</p>

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
						<p>United States reported on the November 2015 Meeting of the Wine Regulatory Forum and the APEC model wine certificate at SCSC 1/2016</p>
	<p>4.3- The Role of Standards and Conformity Assessment Measures in Enhancing the Performance and Energy Efficiency of the Commercial Building Sector</p> <p>(MYP CTI 02 2012A)</p>	<p>United States</p>	<p>2012-2015</p>	<p>The project will deliver the following outputs:</p> <ol style="list-style-type: none"> 1) Research Report: The report will provide baseline information on regional use of building codes and green codes to increase building performance. The report will be published on the APEC website. 2) Survey: The survey results will be discussed at Workshop 1. Survey results will be posted to the APEC website. 3) Workshop 1: Exchange of Best Practices in the Design and Implementation of Building Codes and Green Codes. 4) Workshop 2: Building Information Modeling to Facilitate Green Building Practices. 5) Workshop 3: Elaboration of Testing and Rating Requirements for Products in the Building Envelope. 6) Workshop 4: Laboratory Testing 	<p>completed</p>	<p>United States reported on progress of M CTI 02/12A at SCSC1/2015.</p> <p>Two publications delivered: APEC Green Building Code Infrastructure Guide (May 2015) and Guide to Performance Metrics and BIM to support Green Building Objectives (June 2015)</p> <p>Review of APEC Green Building Project - this report is the final deliverable under the green building multi-year project.</p>

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
				Requirements as a Non-tariff Barrier for Ceiling and Flooring Products. 7) Evaluation Report: This assessment report will enumerate changes in the Asia-Pacific region, ongoing and contemplated, that correspond to the project activities. 8) Collaboration. The workshops will provide a catalytic opportunity for development of new collaborative dialogues and approaches to the subject matter.		
	4.4- Aligning Energy Efficiency Regulations for ICT products – Implementing A Strategic Approach (CTI 27 2013A)	United States	2013-2014	This project will address the APEC leaders’ priority of promoting sustainable growth by “advancing work on sharing best practices in energy efficiency with a view to deploying cleaner and more efficient technologies.” It will also advance the APEC Business Advisory Council’s recommendation to “explore ways to standardize or align energy efficiency and labelling.” Further, it will implement SCSC endorsed principles on alignment of energy efficiency standards and conformity assessment requirements.	completed	United States reported on implementation of CTI 27/13A at SCSC1/2015.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
	4.5- Harmonizing standards and Enhancing Technical Capacity in Measurement and Verification of Energy Savings (CTI 13/14A)	China	2014-2015	This project will initiate an exchange on best practices of M&V standards and improve the technical capacity of member economies to apply these standards. The main activities include: 1) Review of M&V activities in APEC region, including methodologies, stakeholders, capacity and barriers, Oct. 2014 – June 2015; 2) A workshop to enhance experiences sharing among APEC economies on M&V standards and capacity building of application of internationally accepted standards such as ISO 50015 and ISO 17741, August 2015.	In process	The Workshop was held from 15-16 October 2015 in Beijing. <i>China</i> report on the results of the Workshop at SCSC1/2016.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
	4.6- 8 th GRP Conference (CTI 20/2014)	Philippines	2014-2015	<p>The objective of the project is to further promote understanding on the elements of good regulatory practices and identify capacity building initiatives by APEC in building support for the implementation of GRPs across APEC.</p> <p>The project will continue the work from previous conferences in identifying good regulatory practices that are being implemented by APEC Member Economies and share experiences on the optional tools identified in implementing GRP as such 1) single online locations for regulatory information; 2) prospective regulatory planning; and 3) periodic reviews of existing regulation.</p> <p>The project is targeted to be implemented through a two (2) day conference during the SCSC 2 meeting in the side-lines of SOM 3 in Cebu City, Philippines.</p>	completed	<p>8th GRP Conference held at the Raddison Hotel, Cebu City, Philippines on 27-28 August 2015.</p> <p><i>Philippines</i> sent project completion report to SCSC for members' consideration. The report will be published in March 2016.</p>
	4.7- Facilitating trade through updates on food safety regulatory standards of APEC economies (CTI 18/14A)	Chile	2014-2015	Chile is pursuing APEC funding to conduct a workshop on updates of food safety regulations of APEC economies. The workshop will focus on understanding modernization in standards and responsibilities	completed	<p>The Workshop was held at Santiago, Chile on 23-25 September 2015.</p> <p><i>Chile</i> reported on the results of the Workshop at SCSC1/2016.</p>

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
				regarding food safety of APEC economies, raising awareness on these topics to facilitate food trade and improve food safety standards, and the manner in which APEC economies are dealing with emerging food safety challenges. The workshop is intended to be held in Santiago, Chile, in 2015. The outcome of it will consist in obtaining detailed data of all APEC economies on their modifications in food safety regulations and a better understanding of the similarities and differences on food safety challenges in the region.		
	4.8- Medical External Quality Assurance (EQA) Capacity Building Program (CTI 24/14A)	Malaysia	May 2015- November 2015	This is the first APEC project focusing on Medical External Quality Assurance. Previous work in APEC Sub-Committee on Standards Conformance was focused on other field such as food safety, seafood toxicity and veterinary drug residues. The Project's workshop is aimed to initiate efforts to build up capacity and capability of EQA providers especially in developing countries in APEC region. This project will benefit EQA providers where it can increase	In process	The Workshop was held at Kuala Lumpur, Malaysia on 27-29 October 2015. Malaysia sent project completion report and report the results of the Workshop at SCSC1/2016.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
				their readiness to establish and run its own EQA programmes.		
	4.9- Coordinated Research Initiative for the Implementation of Antimicrobial Control Strategies (CTI 25/14A)	Chile	January 2015 – January 2016	The activity will focus on Antimicrobial resistance (AMR) present in microbial strains isolated from animals, environment and food, in order to lay the foundations and economies' needs for establishing a Resistance Surveillance System in each economy in the short term. The outcome of this Workshop will include a capacity building training module on antimicrobial resistance for use by all APEC economies. Also, a final report of the advances and commitments of each economy will be delivered.	In process	The Workshop was held in Santiago, Chile, during 28-30 October 2015. Chile reported the results of the Workshop at SCSC1/2016.
	4.10- APEC Survey on Packaging and Labeling Requirements for Pre-Packaged Food Products (SCSC 03 2015S)	Philippines	2015	- It is the aim of this initiative to stock-take the labeling and packaging requirements of Member Economies, particularly in the sectors of food processing and agriculture. This survey will focus on pre-packaged food products and follow-up surveys can then include other products. - The results of the survey will be shared by the Philippines in support of finding convergences in the work of SCSC and SMEWG as well as the	completed	Philippines reported on the plans for SCSC 01 2015S at SCSC1/2015. Philippines provided a report on the survey of on Packaging and Labelling Requirements for Pre-Packaged Food Products at SCSC1/2016.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
				initiative of CTI in improving transparency vis-à-vis trade requirements within APEC. - To further the Ministers' instruction set forth in the Boracay Action Agenda to Globalize MSMEs in May 2015.		
	4.11- Development of a Guideline for the Harmonisation of Pesticide Maximum Residue Limits (MRLs) for Imported Foods within APEC Economies (SCSC 01 2015S)	Australia	2015		completed	<u>Australia</u> reported on the plans for (SCSC 01 2015S) at SCSC1/2015.
	4.12- APEC Conference on Management and Related Scientific Detection of Food Additives in Foods (SCSC 02 2015S)	Chinese Taipei	1/2015-4/2015	Two days meeting will be held in the GIS MOTC Convention Centre in Taipei on April 29 and 30, 2015. Experts from Chinese Taipei and other economies, including Japan; Korea; Singapore; China; the United States; Hong Kong, China, etc., will be invited to give lectures, sharing the knowledge and experience about regulations, analytical techniques, monitoring system and mechanism of food additives in each economy. The main language in the meeting will be in English. This conference will be	completed	<u>Chinese Taipei</u> provided brief information on the proposed CN at SCSC1/2015. <u>Chinese Taipei</u> provided updates at SCSC2/2015 on the results of the project held on 29-30 April 2015. Chinese Taipei thanked the participation of SCSC in the project particularly on identifying speakers.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
				helpful for preventing illegal additives being used in foods. It will be beneficial to human health.		
	4.13- <i>Train the Trainer Workshop on Aquaculture Focused on Emerging Animal Diseases and Food Safety (CTI 09 2015)</i>	<i>United States, Viet Nam</i>	2015		completed	Preparing Trainers to Deliver Sustainable Education to Prevent Food Safety Concerns Threatening Aquaculture Development including Related Concerns for Disease Management - A Joint APEC Food Safety Cooperation Forum Partnership Training Institute Network (APEC FSCF PTIN) and World Bank Global Food Safety Partnership (GFSP) Program sponsored by the United States and Viet Nam. The Workshop was held in Ha Noi, Viet Nam on September 21-24, 2015 United States reported on the results of the Workshop at SCSC1/2016.
	4.14- Capacity-building and Awareness Project on Enhancement of Total Environmental Efficiency (Energy/ Carbon and	Japan, Philippines	1/2016-12/2016	This project aims to build the capacity of industries, standard practitioners and policy-makers through three workshops including trainings at three different locations (Thailand, Malaysia and Chinese Taipei) to promote low	In process	Japan reported on preparation for this project at SCSC1/2016.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
	Material Efficiency) through MFCA, ISO 14051 (CTI 18 2015A)			carbon economies by improving energy and material efficiency based on the International Standard, ISO 14051 (Material Flow Cost Accounting/ MFCA). Efficient use of energy and material is one of the greatest challenges to sustainable development. Especially, production-losses including material loss and associated energy loss are often overlooked by SMEs. This project contributes to promote systematic improvement in energy and material efficiency. As a result, it reduces carbon emissions for enhancement of the competitiveness of APEC economies, especially SMEs.		

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
	4.15- Supporting MSMEs trade facilitation through Standardization activities (CTI 13 2015A)	Peru	1/2016-12/2016	<p>MSMEs are important part of APEC economies and have been an APEC's objective to integrate them in regional and global markets. The promotion of the use of standards and conformance among MSMEs will support them to access new markets and to be part of Global Value Chains. This project aims:</p> <p>1) To conduct a survey on best practices, incentive programs and activities that National Standards Bodies (NSBs) apply to involve MSMEs in standardization and conformity assessment, 2) To exchange information about best practices and discuss the survey results and 3) To make a publication with best practices that NSB could apply to increase their MSMEs competitiveness and integrate them in international trade.</p> <p>During delivering of the project cross-fora collaboration with SMEWG will guarantee to produce crosscutting outcomes. The project will start at December 2015 and the workshop is planned to be held during SCSC 2 in 2016 in Peru.</p>	In process	<p>2-day workshop will be held in Peru at SCSC 2 margins</p> <p><u>Peru</u> to make a progress report for this project at SCSC2/ 2016</p>

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
	4.16- 11 th Conference on Standards and Conformance (CTI 20 2015T)	Peru	12/2015-11/2016	<p>The 11th Conference on Standards and Conformance will be held in Peru in 2016 at the margins of SCSC2. The main goal of this project is to share the importance of standards innovation, conformity assessment and metrology as means to facilitate trade among APEC economies. A 2-day workshop will be held aiming:</p> <p>1) To establish a clear relationship between standards and innovation used in APEC economies, this will help to better understand standards innovation concept, especially for developing economies. 2) To share experiences on standards innovation and related conformity assessment 3) To increase knowledge on standards innovations and related conformity assessment for trade facilitation.</p> <p>In order to cover all the perspectives about standards innovation, the Conference will include the participation of: National Standards Body Business Community (including MSMEs), Conformity Assessment Bodies and Academia.</p>	In process	<p>-The workshop will be held in Lima, Peru on August 18 and 19, 2016</p> <p>- Peru will make a progress report in SCSC 2/ 2016</p>
	4.17- Capacity building on antibacterial products and	Japan, Peru	Jun. 2016 – Dec. 2017	- To provide program participants with various information on		<u>Japan</u> reported on preparation for this project at SCSC1/2016.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
	materials and their evaluation test method, for modernization of MSMEs in APEC region (CN)			antibacterial products and materials to facilitate their understandings; - To improve technical knowledge and skill of program participants (testing laboratories) for evaluation of antibacterial products and materials according to the international standard(ISO 22196); and, -To facilitate introduction of antibacterial products and materials by MSMEs to disseminate reliable antibacterial products and materials in the APEC member economies.		
	APEC workshop on Grain Safty (CN)	China	1 year			China to report on preparation for this project at SCSC1/2016.
	Best practice shaving and Technology Capacity Building for Mesurement and Vevification of Ennergy Saving (CN)	China	1 year			China to report on preparation for this project at SCSC1/2016.
	APEC Capacity Building on Online Dispute Resolution Mechanism based on the ISO 10008 and ISO 10003 (CN)	Malaysia	July 2016 – February 2017	• develop awareness and understanding on ISO 10000 series standards on Quality management customer satisfaction and other relevant standards in		Malaysia to report on preparation for this project at SCSC1/2016.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
				<p>relation to online business dispute resolution mechanisms;</p> <ul style="list-style-type: none"> • share best practices on cross border online dispute resolution mechanisms for policy makers, regulators, the business community and consumers; and • strengthen networking and technical cooperation among participants and relevant APEC groups. 		
	Workshop on Good Animal Husbandry Practices for Efficient and Safe Milk Production based on Pastures in APEC Developing Economies (CN)	Peru	August 2016 – November 2016			<i>Peru</i> to report on preparation for this project at SCSC1/2016.
	1st Meeting of the Competent Authorities in Organic Agriculture of the APEC Economies: Regulation and Performance in Organic Products (CN)	Peru	2016	The purpose of the meeting is to set up a Network of Authorities responsible for the control of organic agriculture in the APEC economies that will allow knowing the corresponding technical regulations and standards generating the exchange of information and experiences to strengthen the capacities of the competent authorities. Moreover, to establish		<i>Peru</i> to report on preparation for this project at SCSC1/2016.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
				mechanisms for reciprocal cooperation with a view to develop cooperation projects to regulate organic agriculture, by establishing a Technical Committee to suggest mechanisms for the mutual recognition of certification systems or equivalence of organic technical standards in tune with world food market trends respecting the principles of organic agriculture.		
	Strengthen the Mechanisms of Regulation through the Quality Infrastructure Activities for Medical Devices (CN)	Peru	August 2016 – August 2017	The primary goal of this project is to improve the regulations in APEC economies for medical devices through the exchange of experiences among countries in the region, in order to improve the quality and credibility of measurements in health sector. Harmonization in the regulations in APEC economies enable suppliers and medical devices exporters to access into regional and global markets.		<u>Peru</u> to report on preparation for this project at SCSC1/2016.
	Strengthen Chemical Metrology Infrastructure through the Capacity Building of Measurement in Food Safety (CN)	Peru	August 2016 – August 2017	The aim is to improve the quality control tools and metrological traceability of measurements required for quality assurance of results issued by control laboratories at the level of		<u>Peru</u> to report on preparation for this project at SCSC1/2016.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
				food safety through a comparison study for evaluation performance.		
	Facilitating Trade in Information and Communications Technologies (ICT) Products through Encouragement of Electronic Labeling Best Practices (CN)	United State		<ul style="list-style-type: none"> • To share available guidance on e-labeling, including costs/benefits, regulatory challenges, and technical issues. • To conduct an exchange of views on e-labeling best practices and come to a consensus on such practices. • To develop a roadmap outlining measures that APEC economies can take to move toward implementation of e-labeling and identify opportunities for future technical exchanges or trainings, ultimately helping to facilitate trade in the Asia-Pacific region. 		United State to report on preparation for this project at SCSC1/2016.
	Building Competence in Antimicrobial Resistance Surveillance Methodologies (CN)	Chile	1 January 2017 - 30 December 2017	To disseminate the importance of monitoring antimicrobial resistance in participating APEC economies through increasing knowledge in detection laboratory techniques of antibiotics susceptibility. 2. To create a framework to encourage APEC economies to participate actively in actions against antimicrobial resistance through the implementation of laboratory		1st semester 2017: Workshop preparation and dissemination among APEC economies. 2nd semester 2017: August – October 2017 Workshop and training modules web page execution. November – December 2017 Workshop Report elaboration.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
				techniques to measure the susceptibility to antibiotics in a harmonized and standardized way. ³ To strengthen integrated surveillance of antimicrobial resistance among APEC economies through building capacity in laboratory techniques and the interpretation and analysis of the surveillance results.		Chile to report on preparation for this project at SCSC2/2016.
	Facilitating trade through the strengthening of food safety emergency systems of APEC economies (CN).	Chile	2017- Second semester of 2017	<ul style="list-style-type: none"> Enhance understanding of regulatory structure, protocols experiences of APEC economies food safety emergency prevention and response. Discuss and agree on the minimum standards for food safety emergency prevention and response plans taking into consideration international recommendations food trade. Elaborate a cooperation plan among APEC economies for development, harmonization strengthening of food safety emergency prevention and response plans. 		three day workshop in the second semester of 2017

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
	5) The SCSC to support capacity building oriented to training business, especially SMEs, improving their knowledge, expertise and skills on standards and conformance matters, including public consultation	Member Economies	From 2003	- Capacity building program approved for implementation - Encouraging member economies to provide inputs for training program	In process	As per the Work Plan in Support of Collaboration of SCSC and SMEWG, updates to be included with regard to the concept notes/projects that are being proposed by APEC member economies that directly impact the competitiveness of SMEs.
5. Transparency						
Ensure the transparency of the standards and conformity assessment of APEC economies	1) Member economies to update the APEC Contact Points for Standards and Conformance Information, including member economies' participants in the Specialist Regional Bodies and member economies SCSC Contact Points. Member economies agreed that this information should be maintained on the APEC Secretariat's homepage.	APEC Secretariat	From 1997	- Contact point for Standards and conformance of economies is updated - The information on the member economies contact point for Standards and conformance is maintained on the APEC Secretariat's homepage	In process	Member economies are encouraged to update contact points annually.
	2) Member economies to endeavor to establish Internet websites to disseminate standards and conformance information.	Member economies	From 1997	The internet website to disseminate standards and conformance information is established by member economies	In process	Member economies continue to establish and maintain internet website to disseminate Standards & Conformance information.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
6. Cooperation with Specialist Regional Bodies						
	SCSC to pursue closer cooperation with the Specialist Regional Bodies (SRBs) e.g. in development of technical activities relevant to SRBs	Indonesia	From 2000	<p>1. APEC TILF and other APEC-funded funding proposals involving standards and conformance issues have relevant SRB input, and resulting projects have active involvement by relevant SRBs.</p> <p>2. Regulators in APEC economies develop appropriate reference standards and conformance infrastructures that build on and are effectively linked with SRB activities to achieve good regulatory practice and to minimize technical barriers to trade.</p> <p>3. Industry (especially SMEs) makes use of the SRB standards and conformance infrastructure to help achieve its aims.</p> <p>4. Closer ongoing dialogue between ABAC and SRBs.</p>	In process	<p><u>Representatives of SRBs</u> to brief on the measures to improve the overall quality of regulatory cooperation work in the APEC region at SCSC2/2015.</p> <p><u>SRB Forum Chair</u> provided progress report on SRB activities at SCSC1/2016</p>
7. Cooperation with International Bodies						
	The SCSC to monitor the developments within the WTO Committees on the TBT and SPS and discuss implementation issues.	Japan and China	From 2001	SCSC be kept informed on and contribute to TBT/SPS activities.	In process	<u>Japan</u> reported the WTO-TBT committee meeting held in June 2015 including the Specific Trade Concerns, the Thematic Session

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						and the Future prospects of the TBT Meetings at SCSC2/2015. <u>Japan</u> to report on the WTO-TBT committee meeting held in November 2015 including the Specific Trade Concerns, the Seventh Triennial Review and the Future prospects of the TBT Meetings at SCSC1/2016. <u>China</u> reported on the developments within the WTO SPS Committee at SCSC 1 and SCSC1/2016.
8.Cooperation with other APEC Fora						
	1) The SCSC to pursue further coordination with other APEC fora.	Host economies	From 2008	The coordination activities with other APEC fora to be considered in SCSC program	In process	The coordination activities with other APEC fora such as MAG, Chemical Dialogue, etc that are carried out by SCSC in its work program. Mainstreaming Ocean-Related Issues (MOI) (OFWG, TPTWG, PPFS, TWG, SCSC, EWG) SCSC project (CTI 09 15): Preparing trainers to deliver sustainable education to prevent food safety concerns threatening aquaculture development including related concerns for

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
						disease management (United States, Viet Nam)
	2) The SCSC to conduct work plan for promoting the business interaction with SCSC activities including:					
	a) Involvement of the business in the SCSC's Conferences on GRP and SCSC's conference on Standards and Conformance	Host economies	From 2008	- Business' participation increased; - Information circulated and shared.	In process	SCSC members comment of the model APEC WRF Consolidated Wine Certificate in 2015.
	b) ABAC/Industry-SCSC dialogue on specific SCSC's activities interested by business at SCSC conferences and meetings	Host economy	From 2008	The Dialogue organized with participation of representatives from NSBs, businesses and ABAC.	In process	
	3) The SCSC to hold Policy Dialogue sessions on standards and conformance and follow-up the policy implications arising from them	Host economy	From 2002	Reflecting policy dialogue on S & C and follow-up actions in work plan of SCSC	In process	SCSC members to continue providing their comments for reviewing SCSC TOR up to SCSC2/2015 and to discuss on it during the SCSC2/2015 meeting.

OAA Objectives	Actions	Lead economy	Time Frame (starting-target year)	Target outcomes (Quantitative/ Qualitative)	Status (Completed/ in process)	Remarks Actions
	4) The SCSC to collaborate with SMEWG on the work plan in support of the collaboration	Member Economies	From 2005	Information shared and disseminated	In process	<i>The Philippines</i> is currently conducting a self-funded survey on the packaging and labeling requirements of pre-packaged food products of APEC member economies. The Work Plan on SCSC-SMEWG Collaboration includes sharing of standards and conformance learning materials and capacity building activities which could be cited under action 5, technical infrastructure development
9. Reform of SCSC						
	Member economies to suggest their initiatives/recommendations for further development and implementation of SCSC CAP.	Viet Nam	From 2011	For further development and implement of SCSC CAP.	In process	Open for suggesting initiatives from member economies. <i>Member economies</i> are encouraged to provide their initiatives/suggestions to Viet Nam.
	Review of SCSC Term of Reference	Australia, New Zealand	From 2014	Open review and discussion of revised SCSC ToR by all economies	completed	<i>Australia</i> informed that TOR was finalized and endorsed in November 2015 at SCSC1/2016

BUSINESS MOBILITY GOALS FOR 2016

In recognition of the Bali Declaration and the directives and priorities of APEC Leaders' and Ministers', Senior Officials and the Committee on Trade and Investment (CTI); in response to the recommendations of the APEC Business Advisory Council; in conjunction with the APEC Travel Facilitation Initiative (TFI); and in reference to the APEC Strategy on the Movement of Business People; the BMG intends to pursue the following work goals in collaboration with other relevant subfora, on a best endeavours basis, in 2016.

- The BMG will continue to work collaboratively on projects identified in the APEC TFI, working closely with the TFI Steering Council and relevant APEC groups to enable more efficient, more secure travel, including work related to advanced passenger information/passenger name records.
- In continued support of the attainment of the Bogor Goals, continued efforts to enhance the APEC Business Travel Card (ABTC) scheme by progressing implementation of business process, technology and organisational recommendations from the End-to-End Review of the ABTC Scheme, which include:
 - implementing a shared online lodgement platform,
 - consolidating the implementation of the extension of validity and;
 - improving the pre-clearance process.
- In support of people-to-people connectivity, to enhance traveller facilitation and border integrity in the APEC region through the ABTC, the BMG will focus on scoping online lodgement options, as identified by the End-to-End Review, the ABTC Technical Workshop and the Online Lodgement Working Group.
- To contribute to the APEC Consolidated Counter-Terrorism and Secure Trade Strategy, including through exploring future strategic direction for the Regional Movement Alert System RMAS which provides a real-time travel document validation service between the economies.

Importantly, these goals also support the Tasking Statement for 2016 with its priority of *Enhancing the Regional Economic Integration Agenda*. The goals also reflect Peru's APEC theme for 2016 "quality growth and human development", with its priorities of:

- 1) advancing regional economic integration and quality growth
- 2) enhancing the regional food market
- 3) towards the modernisation of micro, small and medium-size enterprises in the Asia-Pacific and
- 4) developing human capital.

IPEG Collective Action Plan 2010

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
<p>(a) Deepening the Dialogue on Intellectual Property Policy</p> <ul style="list-style-type: none"> - FTA/ RTA on IP Chapter - Exchange of development of IP-related policies - Strengthening the IPR system - Appropriate protection of IPR in emerging fields, including but not limited to the following: <ul style="list-style-type: none"> ● Protection for Biotechnology and Computer-related Inventions ● Protection for Geographical Indications ● Electronic commerce ● Genetic resources and traditional knowledge ● Plant variety protection systems 	<ol style="list-style-type: none"> 1. <u>Australia</u> made an oral update on the RTA/ FTA matrix, which helps support the goal of economic integration in this region and is a CTI priority. 2. <u>Chile</u> informed that the APEC IPEG Survey on Copyright Limitations and Exceptions is finalized. 3. <u>The U.S.</u> has been conducting an APEC IPEG Survey on Opposition Proceedings. 4. <u>The U.S.</u> has been conducting an APEC IPEG Survey on Certification and Marks 5. <u>Mexico</u> made an oral update and express its commitment to circulate, between sessions, the final “Report on the Geographical Indications Regimes in APEC Economies” based on GI Questionnaire elaborated by IPEG 6. <u>Peru</u> presented a proposal on “Seminar on Successful Experiences Implementing Tools for Traditional Knowledge Protection” which is the second phase of the project “Raising Awareness and Providing Insights on promoting appropriate Access and protection of genetic resources and traditional knowledge in APEC Economies”. 	<p>On-going. Members are encouraged to provide updates before the next meeting when this initiative will be concluded.</p> <p>Completed. Chile distributed hard copies of the survey</p> <p>Ongoing. Members are encouraged to provide comments to a draft final report.</p> <p>Ongoing. Members are encouraged to provide comments to a draft final report.</p> <p>The project was endorsed by IPEG. Not approved yet by BMC. Australia; China, Thailand and Viet Nam offered to be co-sponsors.</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
<p>(b) Support for Easy and Prompt Acquisition of Rights:</p> <ul style="list-style-type: none"> - Participation in International IP-related Systems - Establishing Internationally Harmonized IPR Systems - Cooperation on Searches and Examinations - APEC Cooperation Initiative on Patent Acquisition Procedures (The launching of the initiative was included in REI Action Plan 2008) 	<ol style="list-style-type: none"> 1. <u>Japan</u> proposed the self-funded initiative for a more coherent approach under the APEC Cooperation Initiative on Patent Acquisition Procedures, which is basically outlined setting up a “one-stop” website, allowing patent system users to download forms to be used when they request an IP Office to conduct examination by referring to the results of search/examination already carried out by another Office. 2. <u>The U.S.</u> made an oral update on the development of the “Patent Cooperation Initiative on Patent Acquisition Procedures - Roadmap for Further Cooperation: Gap Analysis” 	<p>The initiative was endorsed by IPEG. Japan is working on launch of the website.</p> <p>Ongoing. Members are encouraged to participate in the Gap Analysis exercise.</p>
<p>(c) Electronic Processing of IPR-related Procedures:</p> <ul style="list-style-type: none"> - Electronic Filing Systems - Dissemination of Information by Electronic Means 	<ol style="list-style-type: none"> 1. <u>Members</u> are encouraged to better use of the APEC online resources, particularly APEC Information Management Portal (AIMP). 2. <u>Members</u> are encouraged to better utilize the folder (IPEG Surveys) created in the APEC Collaboration System, which stores all surveys including: i) Surveys/information collection activities of IPEG for which responses are still awaited from some economies; ii) Survey/information collection activities (as part of the approved/endorsed by IPEG) currently in progress; and, iii) completed surveys. 	<p>The Secretariat has been encouraging the use of the platform.</p> <p>On-going. The list of surveys can be found on the IPEG ACS in the “surveys” folder.</p>
<p>(d) Cooperation for Improvements to the IP Systems and Its Operation, including capacity</p>	<ol style="list-style-type: none"> 1. <u>Australia and China</u> made an oral update on the “Survey of Strategic Consideration of IPR Capacity Building in APEC Economies”. 	<p>Completed. 13 economies responded to the survey. Australia and</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
buildings, co-operation with other fora /authorities/ stakeholders	<p>2. <u>China</u> made an update of the “Survey on the Legal System of Preventing Improper Use of IPR in APEC Economies”. <i>[Proposal under consideration in IPEG]</i></p> <p>3. <u>China</u> proposed an APEC IPEG Seminar on Practices of IPR Protection in Standardization. <i>[Proposal under consideration in IPEG]</i></p> <p>4. <u>Japan</u> proposed the self-funded Intellectual Property Academy Collaborative Initiative (iPAC initiative) which is basically outlined as setting up a web-based platform to facilitate effective information sharing and dissemination on IP Academies (training, educational, or research organizations/institutions in the IP field).</p> <p>5. <u>Japan</u> organized the High-Level Forum with WIPO back-to-back with the 30th IPEG Meeting.</p> <p>6. <u>Russia</u> proposed to organise a project titled “Enhancing APEC Capacity Building for Intellectual</p>	<p>China encouraged Members to refer to the results of the survey when considering future capacity building activities.</p> <p>On-going. Russia; Thailand and Peru supported this self-funded project.</p> <p>On-going. China and the U.S. agreed to jointly develop the proposal, taking into account members’ comments and in consultation with the SCSC. Russia; Chinese Taipei, Chile offered to co-sponsor.</p> <p>The initiative was endorsed by IPEG. Japan is working on launch of Web-platform.</p> <p>Completed. The forum was held on March 1-2, 2010, in Tokyo, Japan.</p> <p>The project was endorsed by IPEG and</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
	<p>Property Protection and Use: Training for Trainers”.</p> <p>7. <u>IPEG</u> members held the IPEG-ABAC Dialogue on the margins of the 30th IPEG Meeting, held on March 4, 2010, in Hiroshima, Japan, with topics: i) Patent Cooperation; ii) IP at the Border</p> <p>8. <u>IPEG</u> participated in the SCCP Meeting held on March 4, 2010, in Hiroshima, Japan, briefing members on topics related to IP at the Border.</p> <p>9. <u>IPEG</u> Chair shared the launch of IP Explorer, the web-based resource to assist Small and Medium Enterprises (SMEs) manage their intellectual property rights (IP) and invited SMEWG to help promote IP Explorer with their stakeholders.</p> <p>10. <u>Life Sciences Innovation Forum (LSIF) “APEC LSIF Anti-Counterfeit Medicines Action Plan”</u> Ms. Barbara Norton, Chair of the Life Sciences Innovation Forum (LSIF) Planning Group, asked to share with IPEG the APEC LSIF Anti-Counterfeit Medicines Action Plan which was endorsed by the LSIF this summer.</p>	<p>was approved by the BMC. China; Korea, the U.S.; Peru and Viet Nam offered to be co-sponsors. Russia is working to launch the implementation of the project in October 2010 as planned.</p> <p>On-going. It was suggested to have the dialogue annually in order to continue with the collaboration. Members agreed to Chair’s suggestion that the next IPEG-ABAC dialogue be held on the margins of the 32nd IPEG.</p> <p>On-going. IPEG and SCCP are eager to continue with the collaboration.</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
<p>(e) Establishing Effective Systems for IPR Enforcement:</p> <ul style="list-style-type: none"> - Exchange of Information Concerning IPR Infringement - Other enforcement related matters <p>(f) APEC Anti-Counterfeiting and Piracy Initiative, with the following four key objectives:</p> <ul style="list-style-type: none"> - Reduce Trade in Counterfeit and Pirated Goods - Reduce Online Piracy - Increase Cooperation to Stop Piracy and Counterfeiting - Increase Capacity Building to Strengthen Anti-Counterfeiting and Piracy Enforcement 	<p>1. <u>The U.S.</u> made an oral update of the proposal for Effective Practices Addressing Unauthorized Camcording <i>[Proposal to be considered in IPEG]</i></p>	<p>On-going. The U.S. will provide information on reports or studies to document the connection between camcording and optical disk piracy and internet piracy, in the context of organized criminal activity.</p>
<p>(g) Promoting IP Asset Management and Utilisation in APEC Economies</p>	<p>1. <u>Korea</u> organized the “One Village One Brand Seminar” (CTI12-/2009A).</p> <p>2. <u>Japan</u> presented the progress of establishment of IPR Service Centers.</p>	<p>Completed. The seminar was held on June 23-25, 2010, in Seoul, Korea.</p> <p>Completed. A collection of links to the websites of APEC economies’ IPR Service Centers can be found on the public APEC website, and updates or additional links can be submitted via the APEC Secretariat Program Director any time on an ongoing basis. This action will no longer appear in the IPEG CAP.</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
	3. <u>Japan</u> proposed a self-funded proposal for “Seminar on the Exploitation of Intellectual Property” to be held in the margins of the 31 st IPEG Meeting, on September 9, 2010, in Sendai, Japan.	Completed. The project was endorsed by IPEG.
(h) Facilitation of Technology Transfer through Ensuring IP Protection	The <u>Chair</u> proposed to include “Green Technology” as a new topic.	On-going.

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
i) Raising Public Awareness	<ol style="list-style-type: none"> <li data-bbox="544 309 906 584">1. <u>Australia, Singapore and Hong Kong, China</u> co-organised a workshop titled “APEC IPR Public Education and Awareness Program for SMEs” (CTI 06/2008T) in Melbourne from 1-3 April 2009. <li data-bbox="544 770 906 1084">2. <u>Korea</u> updated on the online learning system called “APEC Project for Training Intellectual Property Right Information Facilitators Using e-Learning Content – IP Xpedite” (CTI 21/2009T) <li data-bbox="544 1128 906 1906">3. <u>Australia</u> presented the Intellectual Property Explorer tool at the 31st APEC IPEG meeting. Developed on behalf of APEC IPEG by Australia; Hong Kong, China; and Singapore, it is a free, secure and simple online business tool to help SMEs in the APEC region identify and protect their IP assets. Intellectual Property Explorer contains a series of interactive diagnostic questions designed to review the IP in a business. Tailored reports are then generated which outline where IP protection strategies need attention or improvement 	<p data-bbox="932 309 1385 584">Completed. 17 APEC economies were represented at the workshop. Feedback from participants on the value of the workshop was extremely positive. The program and presentations from the workshop are available at http://www.apecipeg-pear.org/</p> <p data-bbox="932 770 1385 869">On-going. The Project commenced in July 2009 and the Thai version is in progress.</p> <p data-bbox="932 1128 1385 1368">Completed. Intellectual Property Explorer is available from the APEC IPEG web page as well as at www.intellectualpropertyexplorer.org IPEG invited the SMEWG to help promote the online business tool to their stakeholders</p>

Objectives/ Goals	Actions with lead economy, if any	Status/ Target Date
	<p>4. <u>Korea</u> presented a project proposal “Advanced APEC Project for Training Intellectual Property Right Information Facilitators using e-learning contents, IP Xpedite</p> <p>5. <u>Chile</u> presented a Project Proposal “APEC funded workshop on Exceptions and Limitations”</p>	<p>The project was endorsed by IPEG. The U.S.; Mexico and Thailand offered to co-sponsor.</p> <p>Comments on the concept note are ongoing.</p>

**APEC Electronic Commerce Steering Group (ECSG) Work
Plan: 2015-2016**

Elements	2015-2016	Reference
<ul style="list-style-type: none"> Consideration of emerging issues that impact regulatory and policy frameworks that can facilitate data driven innovation and the adoption of emerging technologies and related business models that drive growth, employment and societal benefit. 	<ol style="list-style-type: none"> Contribute to the work of the Ad Hoc Steering Group on the Internet Economy Address barriers that make it difficult for SMEs to trade across borders, especially barriers which are specific to e-commerce Capacity building on e-commerce- related issues Collaborate with the CTI FoTC on FTAAP with the view to contribute e-commerce initiatives to its work Collaborate with APEC SME initiatives and ABAC for the implementation of the Cross Border E-Commerce Training (CBET) Program for SMEs Encourage Member Economies to establish or designate e-commerce innovation and development research centers 	<p>APEC Accord on Innovative Development, Economic Reform and Growth (Annex C, 2014 Leaders' Declaration)</p> <p>2014 ABAC Recommendation</p> <p>Action Plan Framework on Capacity Building Needs Initiative</p> <p>Beijing Roadmap for APEC's Contribution Towards the Realization of an FTAAP</p> <p>2014 ABAC Recommendation to Leaders</p> <p>APEC Accord on Innovative Development, Economic Reform and Growth (Annex C, 2014 Leaders' Declaration)</p>

Elements	2015-2016	Reference
<ul style="list-style-type: none"> • Continued evolution of an APEC approach to data protection in support of trust and confidence that addresses risks arising from emerging technologies and business models while also allowing the benefits of innovation to accrue to individuals and society. 	<ol style="list-style-type: none"> 1. Undertake APEC Privacy Framework stocktake for consideration of the DPS/ECSG/CTI by SOM3 2015. 2. International implementation of the APEC Privacy Framework <ul style="list-style-type: none"> ▪ Through the CPBR System Joint Oversight Panel (JOP), monitor and assess governance of the CBPR system and review economies Notices of Intent to participate in the CBPR System, as appropriate. ▪ Review reports and recommendations from the JOP, on applications of Accountability Agents for recognition, or on renewal of recognition under the CBPR system ▪ Consider the development of additional documents to implement the APEC Privacy Recognition for Processors (PRP) program ▪ Encourage and facilitate economy participation in the CBPR system, including individual economy capacity building under the Multi- Year Project 	

Elements	2015-2016	Reference
	<ul style="list-style-type: none"> ▪ Jointly with the EU Article 29 Working Party develop documents and initiatives in support of the application of the BCR/CBPR Common Referential. 3. Capacity building on the domestic implementation of the APEC Privacy Framework 4. Information sharing within APEC and with other international fora on cross-border privacy issues and initiatives (e.g., through web-based platforms and collaborative tools, engagement with stakeholders) 5. Individual Action Plans (IAPs) – to provide snapshots of an economy’s approach to data privacy 	
<ul style="list-style-type: none"> • The role of technology and related policy that facilitates trade and enables efficient supply chains and connectivity, including at the border, across the border and behind the border. 	<ol style="list-style-type: none"> 1 Continued implementation of the Electronic Certificate of Origin (ECO) Pathfinder project 2 Introduce other paperless trading initiatives that would benefit SMEs and enable them to participate in GVCs 	

Elements	2015-2016	Reference
	<ol style="list-style-type: none"> <li data-bbox="815 236 1406 336">3. Identify and work towards eliminating barriers to trade and explore areas in which technology can help facilitate trade <li data-bbox="815 379 1406 480">4. Identify opportunities of technology to enhance trade practices and economic-related data <li data-bbox="815 523 1406 624">5. Collect and analyze APEC, regional and global best practices in the area of cross-border e-Commerce <li data-bbox="815 667 1406 767">6. Consider working with WTA to identify criteria or guidelines for e-commerce platforms to be tagged as SME- friendly 	<p data-bbox="1429 667 2045 695">Host Economy's APEC 2015 Priority Area on SMEs.</p>



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