



**Asia-Pacific  
Economic Cooperation**

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

# APEC's Bogor Goals Progress Report

**APEC Policy Support Unit**

November 2018

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## INTRODUCTION

In 1994, APEC Leaders released the Bogor Declaration, which adopted “the long-term goal of free and open trade and investment in the Asia-Pacific”. This goal, commonly known as the Bogor Goals, has inspired APEC member economies to pursue individual and collective initiatives with the aim of further reducing barriers to trade and investment. In doing so, the Bogor Goals assist APEC in pursuing its ultimate objectives of sustainable growth, equitable development and strengthening the sense of an Asia-Pacific community. Throughout the years, the Bogor Goals have been one of the driving forces in APEC’s agenda.

While the Bogor Declaration does not prescribe actions APEC economies need to undertake to achieve the Bogor Goals, it provides guidance. In this regard, APEC member economies can implement unilateral policies, as well as taking a negotiated bilateral, regional or multilateral approach, provided they are GATT/WTO-consistent.

Furthermore, the Osaka Action Agenda was developed in 1995 to provide guidelines on 15 areas towards achieving the goal. Every two years, APEC member economies are required to prepare an Individual Action Plans (IAP), in which progress, as well as planned future improvements, in these 15 areas are reported. These IAPs are one of the main sources for the Bogor Goals assessment and are complemented with public information from international organizations and other official sources.

APEC has conducted periodical assessments to evaluate progress and identify gaps towards the realization of the Bogor Goals. In 2005, a midterm stocktake was carried out; and in 2010, an assessment of APEC’s progress towards the Bogor Goals was conducted, which found that substantial progress had been achieved, but resistance to reform remained in some areas. Later, in 2011, APEC Senior Officials agreed to conduct an assessment of the progress towards the Bogor Goals biennially until 2020, with a Second Term Review in 2016.

This current assessment shows progress in many areas. For example, overall average tariffs have fallen; unilateral and negotiated services liberalization measures have been put in place in many sectors; measures to attract foreign direct investment are being implemented; cost and time to trade has been reduced; efforts towards improving the quality of regulations are ongoing; and the network of RTA/FTAs have continued its expansion. However, the assessment also shows unfinished businesses and a need for continued improvement in a number of areas. For instance, tariffs in agriculture are still higher than those imposed on non-agricultural products; new emerging unilateral restrictions in services are appearing (e.g. on cross-border data flows); trade remedies have increased in recent years; and there is an accumulation of specific trade concerns in areas such as sanitary and phytosanitary measures.

All in all, the actions undertaken to achieve the Bogor Goals have significantly benefitted APEC member economies and the region as a whole, but more work remains to be done.

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## APEC

### APEC's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Low MFN average tariff equal to 5.3%, but average tariffs for agricultural products are more than two times higher than those of non-agricultural products.
- Reduction in the implementation of new trade-restrictive non-tariff measures in the APEC region. At the same time, more trade remedies have been imposed and less new trade-facilitating measures have been implemented.
- Mixed policies in services. While restrictions against foreign services providers have been eliminated in many economies and sectors; restrictions seem to have increased in areas such as communications, insurance and electronic payment processing services.
- Active implementation of policies to attract investments.
- Nevertheless, there is a perception that investment conditions have worsened in recent times. Some foreign investment restrictions due to strategic interests.
- Efforts to align to international standards. Active participation in international-setting standards organizations.
- While new specific trade concerns related to sanitary and phytosanitary issues and technical matters against APEC economies seem to be falling, the number of accumulated concerns related to sanitary and phytosanitary issues is growing.
- All APEC economies have accepted the WTO Trade Facilitation Agreement. Time and cost to trade to/from APEC region are decreasing. Many initiatives are in place to facilitate trade, such as single windows and Authorized Economic Operators, among others.
- All APEC economies have notified the Protocol modifying TRIPS Agreement.
- Increased cooperation, including the use of Patent Prosecution Highways to get patent applications approved.
- Amended laws/regulations reported to strengthen intellectual property.
- New initiatives in competition policy aim to prevent abuse of market power and assess mergers and acquisitions.
- Recent RTA/FTAs are increasingly including provisions on state-owned enterprises.
- Efforts to increase transparency in government procurement and use electronic portals for tenders.
- Restrictions to foreign participation in government procurement are common. Governments also have set-aside programs to favor local SMEs.
- Policies to reduce regulatory burden and progress in the APEC region to make it easier, cheaper and faster to do business.
- Mechanisms for alternative dispute resolution in place. Efforts to implement or improve online dispute resolution systems in some APEC economies.
- Increase in the number of APEC Business Travel Card holders and implementation of systems to facilitate immigration clearance.

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\* This brief report was prepared with information from the submissions of the 2018 APEC Individual Action Plan (IAP) templates; the WTO World Tariff Profiles; recent WTO Trade Policy Reviews for individual APEC member economies; the WTO SPS and TBT Information Systems; the WTO Committee on Subsidies and Countervailing Measures; the WTO Overview of Developments in the International Trading Environment – Annual Report by the Director-General (Reports dated on 17 November 2015, 21 November 2016 and 16 November 2017); and information from the World Bank, World Economic Forum, ECIPE and official government websites.

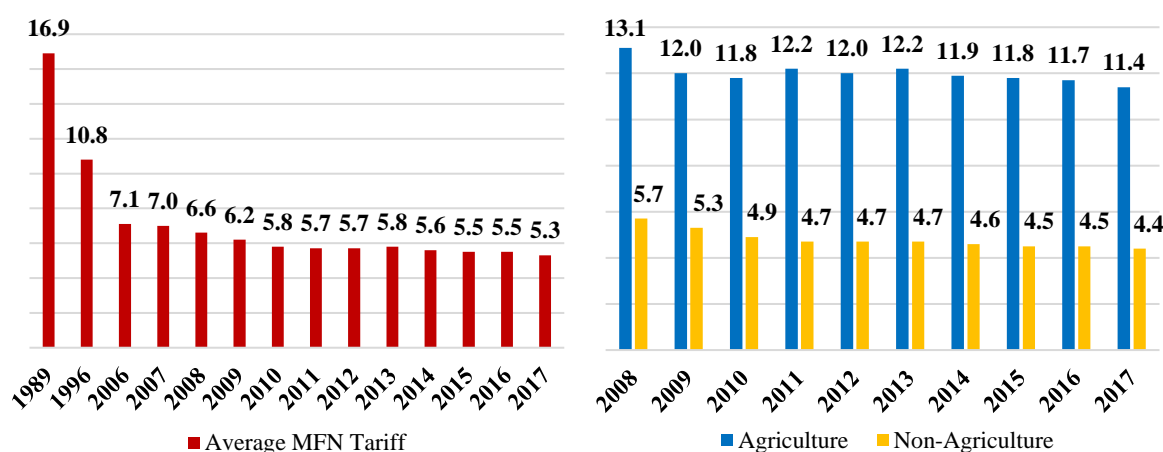
- Initiatives to facilitate visa processing times and eliminate visa requirements for short-term business travellers. However, some economies have tightened the eligibility of particular visa schemes for business travellers.
- Network of RTA/FTAs continues to expand in the APEC region. New agreements are put in force every year and many negotiations are currently underway.

## Summary of Topics

### Tariffs

In general, APEC has made substantial progress in terms of tariff liberalization since its inception, but limited progress has been achieved in recent years. Between 2014 and 2017, the average MFN tariff in the APEC region only decreased from 5.6% to 5.3%. On average, tariffs for agricultural products remain higher than those for non-agricultural products. While those for agricultural products fell from 11.9% to 11.4%; the average MFN tariff for non-agricultural products went down from 4.6% to 4.4%.

**Chart 1 – Average MFN Tariffs in the APEC Region**



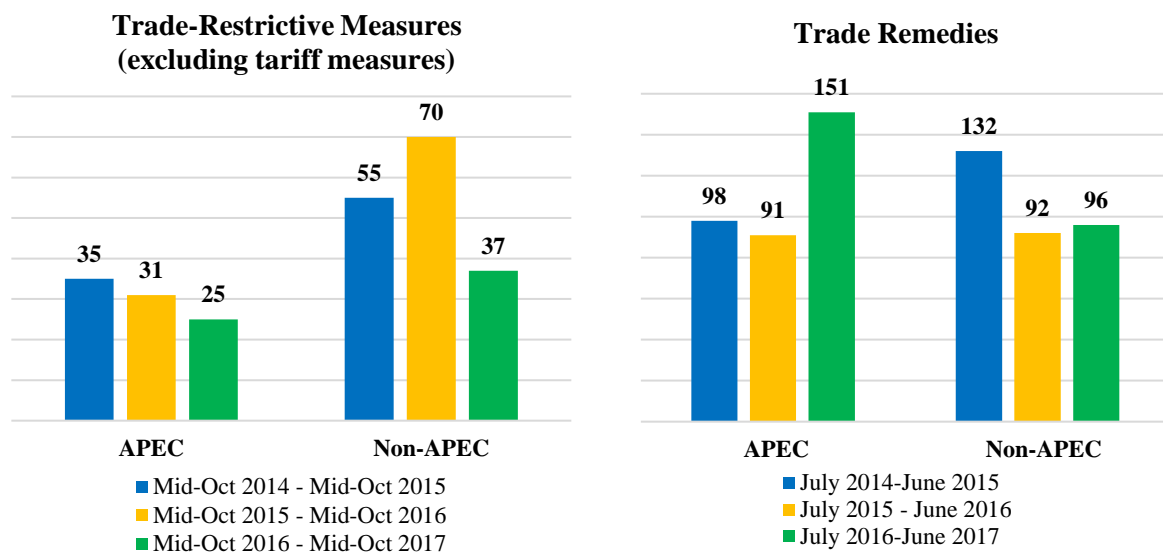
Source: WTO World Tariff Profiles (several years) and APEC Secretariat, Policy Support Unit.

In the same period, the percentage of zero-tariff product lines in APEC increased from 45.4% to 47.9%. However, zero-tariff imports decreased from 60.3% to 58.4% of total imports. Meanwhile, the share of product lines with average MFN tariffs equal or greater than 10% fell from 13.8% to 13.1%.

APEC economies also reported their engagement in trade liberalization through the negotiation and implementation of RTA/FTAs. The number of RTA/FTAs in-force keeps increasing (see section on RTA/FTAs) and signatory parties have been gradually implementing tariff liberalization schedules as agreed within their RTA/FTAs.

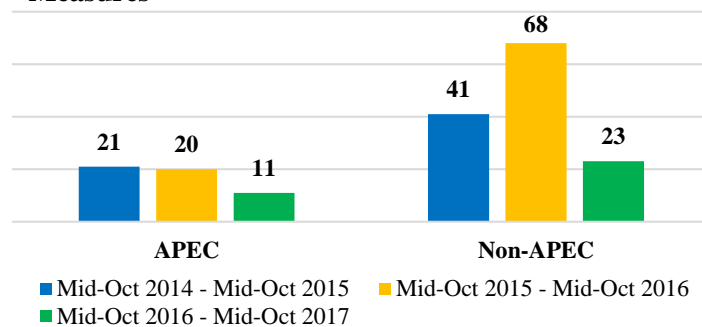
### Non-Tariff Measures (NTM)

Based on information reported at the WTO Trade Policy Review Body, the number of trade-restrictive measures -excluding tariffs- fell in recent years within the APEC region. However, the number of trade remedies imposed by APEC members increased significantly during the period July 2016-June 2017 in comparison to similar periods in previous years, particularly in the application of anti-dumping measures.

**Chart 2 – New Trade-Restrictive Measures and Trade Remedies Implemented by APEC Economies**

Source: WTO i-TIP database and WTO Overview of Developments in the International Trading Environment (Reports dated on 17 November 2015, 21 November 2016 and 16 November 2017). APEC Secretariat, Policy Support Unit calculations.

While APEC economies have been implementing trade-facilitating NTMs in recent years, such as the implementation of expedited customs procedures, the elimination of import licensing requirements, the repeal of export prohibitions and the application of export rebates, among others; there has been a deceleration in the implementation of new trade-facilitating NTMs, not just within the APEC region, but also in the rest of the world.

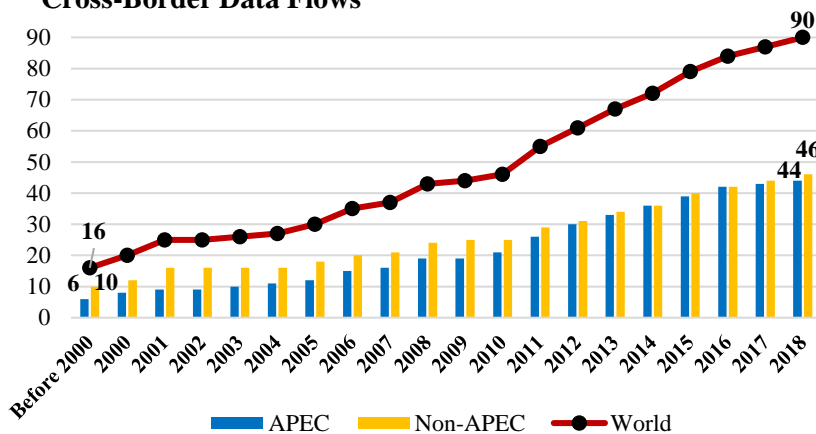
**Chart 3: New Trade-Facilitating Non-Tariff Measures**

Source: WTO Overview of Developments in the International Trading Environment. APEC Secretariat, Policy Support Unit calculations.

When APEC economies reported the application of import/export prohibitions, restrictions or licensing, they usually pointed out that measures were WTO-consistent and based on legitimate reasons, such as the protection of public health, safety, morals and environment, the need to maintain domestic security; or the importance to keep consistency with international treaties.

### Services

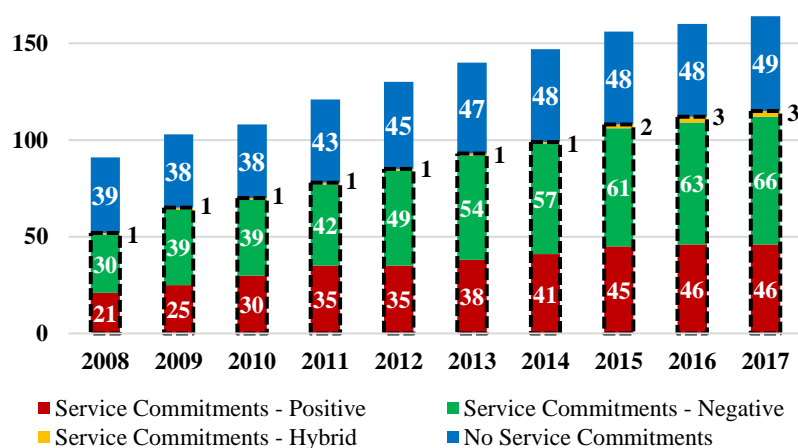
Policies implemented by APEC economies regarding the provision of services have been mixed in terms of facilitating foreign participation. On the one hand, restrictions against foreign firms have been removed in many APEC economies. Some of the services sectors with increasing liberalization in a number of APEC economies are banking, transportation, healthcare, tertiary education and legal services. On the other hand, measures affecting services trade seem to be more restrictive in areas such as insurance, communication services and electronic payment processing services. Cabotage is usually off-limits for foreign firms.

**Chart 4 - Cumulative Number of Restrictions on Cross-Border Data Flows**

Source: ECIPE - Digital Trade Estimates Database. APEC Secretariat, Policy Support Unit calculations

In comparison to previous assessments, new requirements involving localization requirements to store data information have been implemented in some APEC economies. Indeed, there is a growing concern on restrictions on cross-border data flows, which may hamper the adoption of digital technologies and the development of digital trade.

APEC economies have reported being active in services liberalization through their commitments in RTA/FTAs, which involve deeper commitments than those agreed in GATS or during accession negotiations to WTO. These further commitments usually involve improved market access and national treatment conditions. In the last decade, there has been an increasing trend to include services commitments in RTA/FTAs

**Chart 5 - RTA/FTAs in-force in APEC with Services Commitments**

Source: APEC Secretariat, Policy Support Unit calculations

put in force by APEC economies. In 2008, 57.1% of these RTA/FTAs included services commitments. By the end of 2017, 70.1% of them had this feature. Similarly, the preference to use a negative list for services commitments has grown in recent years. Between 2008 and 2017, the proportion of RTA/FTAs using a negative list rose from 33.0% to 40.2%; while those with a positive list only increased their participation from 23.1% to 28.0%.

## Investment

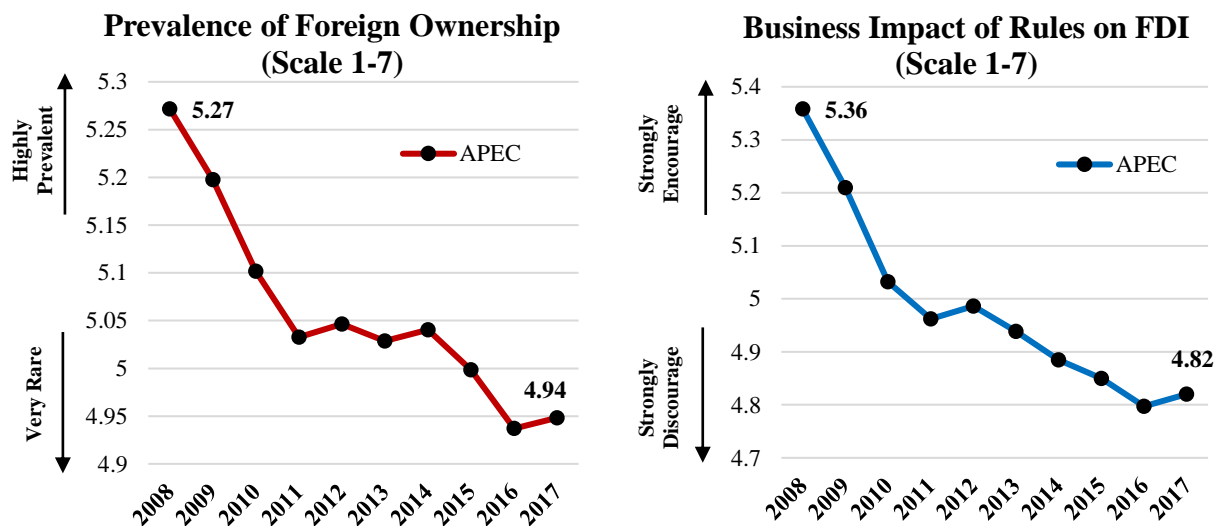
APEC economies have been implementing a broad range of measures to attract investments, especially from foreign firms. In general, measures to improve the entry of foreign investments include the relaxation of conditions for foreign ownership; higher thresholds for potential investments subject to screening; easier procedures to obtain investment pre-approval/approval; low taxes or tax exemptions; no restrictions to repatriate capital, profits or royalties; facilities to bring/attract skilled labour force; among others.

In addition, many APEC economies have reported the implementation of bilateral investment treaties or RTA/FTAs including investment chapters, as important tools to liberalize investments, simplify administrative procedures and provide legal stability.



Nevertheless, despite efforts to improve market access and conditions to foreign investors, there is still a perception that investment conditions have worsened in recent years due to persisting investment barriers in some sectors. For example, some economies still publish a list of sectors in which foreign investments are either prohibited or acceptable with certain conditions. In addition, some APEC economies have implemented specific investment restrictions in particular areas or sectors, such as those considered of strategic interest (e.g. security, storage of data information, provision of natural resources, and the environment) and associated to the promotion of cultural values (e.g. media).

**Chart 6 – Perception on Regulatory Framework for Foreign Investments**

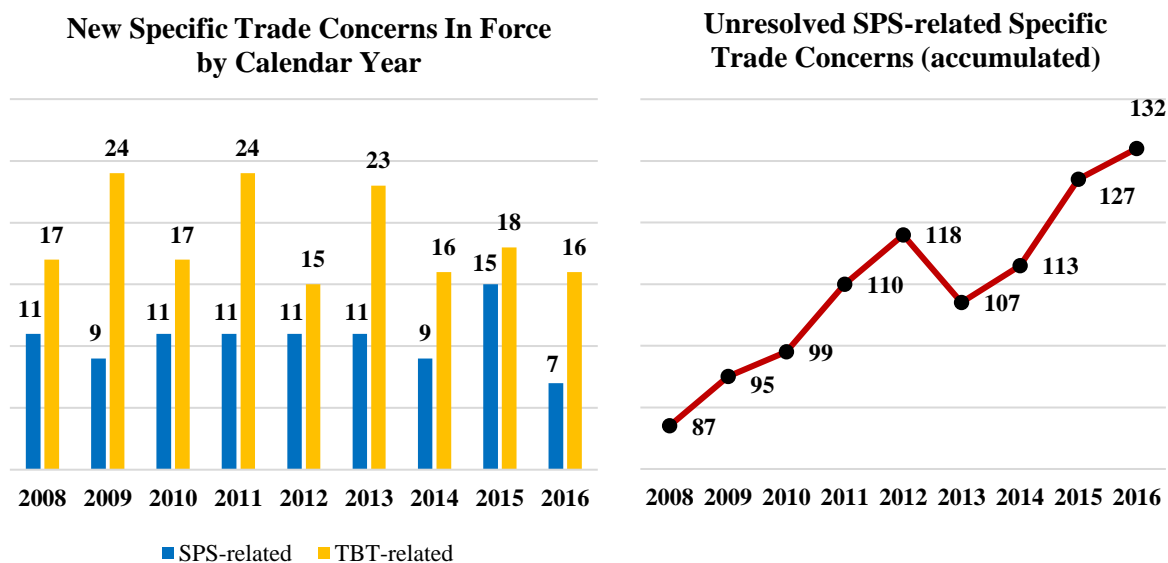


Source: World Economic Forum, Global Competitiveness Report. APEC Secretariat, Policy Support Unit calculations

### Standards and Conformance

Diverse information in this topic has been reported by APEC economies through their Individual Action Plans. While some economies reported their efforts to align domestic standards to international standards; others included their efforts in recognizing conformity assessment bodies, as well as initiatives concerning equivalence and mutual recognition. In addition, some economies reported their active participation in organizations where international-setting standards are discussed and/or developed.

APEC economies mention that the implementation of technical standards/regulations follow the interest of protecting public health, security and safety. Nonetheless, measures have sometimes been considered as trade-restrictive, since they are reported at the WTO Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) Committees as specific trade concerns by affected parties. While the trend of new specific trade concerns seem to have fallen in recent years, information reported at the WTO SPS Committee suggests that there is an accumulation of unresolved concerns restricting trade in the APEC region.

**Chart 7 – Specific Trade Concerns Reported in WTO SPS and TBT Committees against APEC Economies**

Source: WTO SPS and TBT Information Systems. APEC Secretariat, Policy Support Unit calculations.

### Customs Procedures

All APEC economies had notified the acceptance of the WTO Trade Facilitation Agreement (TFA) by end of March 2018. According to WTO, the TFA “contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues”<sup>1</sup>.

APEC economies have reported a wide range of activities to facilitate trade through improved customs procedures. They include the implementation of single windows -including the interoperability among single windows located in different economies-, the implementation and expansion of Authorized Economic Operator (AEO) programs, as well as the use of new technologies to inspect cargo. Customs authorities have also highlighted cooperation activities with counterparts in activities such as exchange of information and best practices.

Improvements in trade facilitation in the APEC region are reflected in time and cost statistics. Between 2014 and 2017, the average time to export from and import to the APEC region went down by 16.0% and 15.5% respectively. Likewise, the cost to export and import a container in the APEC region fell by 8.0% and 9.0%, respectively.

**Table 1 - APEC Region: Time and Cost to Trade**

	2014	2017	% Change
Time to Export (days)	3.01	2.53	-16.0%
Time to Import (days)	3.91	3.30	-15.5%
Cost to Export (USD/Container)	473.7	436.0	-8.0%
Cost to Import (USD/Container)	541.0	492.2	-9.0%

Source: World Bank. APEC Secretariat, Policy Support Unit calculations.

<sup>1</sup> See [https://www.wto.org/english/tratop\\_e/tradfa\\_e/tradfa\\_e.htm](https://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm)

## Intellectual Property Rights

As of March 2017, all APEC economies had notified the Protocol modifying the TRIPS Agreement, which makes permanent a decision on patents and public health and assists developing economies to address their public health needs<sup>2</sup>.

In general, many APEC economies have reported new or amended laws and regulations on intellectual property issues. The intention is to strengthen their intellectual property systems, improve enforcement and toughen sanctions on those infringing the law. A number of economies have also reported the execution of raids to seize goods or stop the provision of services violating intellectual property rights. This is an indication of existing concerns that APEC economies share in this area.

A number of APEC economies have reported increased cooperation with counterparts, in particular regarding the implementation of Patent Prosecution Highways, aiming to accelerate the grant of patent applications. Digital tools, such as databases, are also being improved in order to increase access from other economies concerning information related to laws, regulations, copyrights, patents, trademarks and industrial designs.

Also, some APEC economies reported joining international IP treaties such as the Marrakesh Treaty (on access to published work to blind or visually impaired persons), the Beijing Treaty (on audiovisual performance) and the Singapore Treaty (on the Law of Trade Marks), among others.

## Competition Policy

Many of the recent initiatives in this area implemented by APEC economies involve policies to prevent abuse of market power, promote competition practices, make notifications mandatory for mergers and acquisitions above certain thresholds and deter malpractices by establishing higher fines and imprisonment. Some economies are also implementing leniency programs in which parties are given softer penalties for collaborating in investigations. In addition, some APEC economies have reported an increased number of reviews related to mergers and acquisitions, as well as cases of possible anti-competitive behaviour.

**Table 2 - Status of Compliance with Subsidy Notification Obligations under Article 25.1 of WTO SCM Agreement**

APEC Member that	2013	2015	2017
Notified Subsidies	18	17	12
Made a "Nil" Notification	1	1	2
Did not make any Notification	2	3	7

Source: WTO - Committee on Subsidies and Countervailing Measures, G/SCM/W/546/Rev.9. APEC Secretariat, Policy Support Unit calculations.

While subsidies could reduce costs for business operations, there are also concerns that certain subsidies may be affecting market competition. In recent years, another point of concern is related to transparency, as fewer APEC economies are meeting their obligation to make subsidy notifications as mandated by Article 25.1 of the WTO Agreement on Subsidies and Countervailing Measures (SCM Agreement).

As reported in the previous Bogor Goals Assessment, within some APEC economies, where competition policies/laws had been recently implemented, new institutions were set up to be in charge of these matters.

<sup>2</sup> See [https://www.wto.org/english/tratop\\_e/trips\\_e/amendment\\_e.htm](https://www.wto.org/english/tratop_e/trips_e/amendment_e.htm)

In recent years, it has become increasingly common to include within RTA/FTAs chapters on competition policy and provisions related to state-owned enterprises.

### Government Procurement

Some of the most reported features implemented recently by APEC economies involve the use of electronic portals to publish information on public procurement processes, specifying requirements by public institutions and providing a secure platform to submit tenders. There is also interest to streamline procedures and facilitate tenders to SMEs. In fact, many governments have set-aside programs favouring SMEs. Other interests reported in recent years are the need to get value for money, strengthen transparency and establish rules to prevent conflict of interests.

Most governments still use public procurement as a way to support domestic producers. Indeed, restrictions on the participation of foreign bidders are common. Some economies are removing specific restrictions to foreign participation through the negotiation of government procurement chapters within RTA/FTAs, establishing thresholds and institutions where tenders are open for bidders from the signatory parties.

Eight APEC economies are currently part of the WTO Government Procurement Agreement. Seven more economies are observers of or negotiating their accession to this agreement.

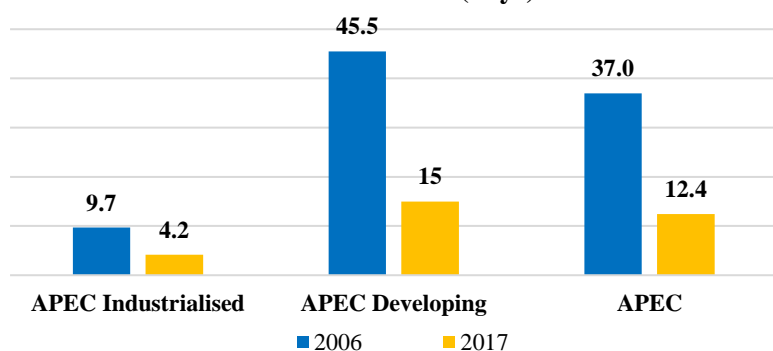
### Deregulation/Regulatory Reform

A common element reported by a number of economies is their interest to improve regulatory quality through the implementation of Regulatory Impact Assessments (RIAs). The use of RIA has been increasing in recent times in the APEC region.

For a while, several APEC members have embarked on initiatives to reduce regulatory burden and increase the ease for firms and individuals to engage in doing business. It is noticeable that APEC economies are implementing new technologies to increase competitiveness, such as single windows to reduce administrative paperwork. Efforts are ranging from easier

steps to create a firm and start a business to using online platforms for alternative dispute resolution, which facilitates contract enforcement. At the end, it is becoming cheaper, easier and faster to do business in the APEC region.

**Chart 8 - Time to Start a Business (days)**



Source: World Bank. APEC Secretariat, Policy Support Unit calculations.

### Dispute Mediation

APEC economies have in place diverse mechanisms for dispute mediation. As mentioned in the previous section, some economies are incorporating the use of online dispute resolution as well. In general, APEC economies have reported ways to resolve disputes based on international practices such as the New York Convention; the WTO Dispute Settlement Understanding; the UNCITRAL Model Law on International Commercial Arbitration; the International Convention on the Settlement of Investment Disputes (ICSID).

Dispute settlement chapters or clauses are available in RTA/FTAs and in BITs. They establish clear procedures by which parties can choose a relevant mechanism to submit their disputes.

### Mobility of Business People

19 APEC members have fully implemented the APEC Business Travel Card (ABTC) system and the remaining two APEC economies are transitional members of the scheme. The number of ABTC cardholders has increased in recent years. By the end of 2010, there were nearly 88,000 ABTC card holders, whilst the number of card holders increased to nearly 240,000 by September 2017 (an increase of 172.2%).

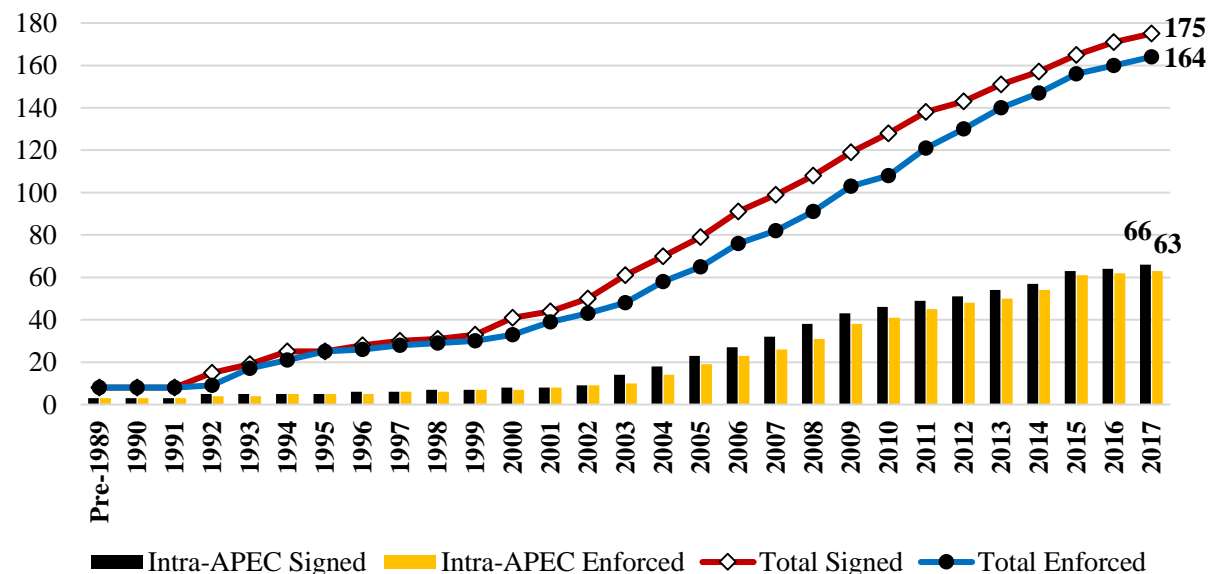
Besides the ABTC scheme, APEC members are facilitating the entrance of business people through the use of automated gates to reduce immigration clearance times for qualified travellers. Also, some APEC members have announced streamlined procedures and reduced times to process visas or eliminate visa requirements for certain short-term business travellers.

On the opposite, there have been some cases of APEC economies tightening the eligibility of particular visa schemes for natural persons, including business travellers.

### RTA/FTAs

APEC economies have continued negotiating RTA/FTAs to improve market access conditions overseas. As at December 2017, 175 RTA/FTAs had been signed by APEC economies, being 164 of them already in force. Of the 175 RTA/FTAs signed, 66 involved at least two APEC economies, of which, 63 are in force.

**Chart 9: Number of RTA/FTA Signed and Enforced by APEC Economies**



Source: APEC Secretariat, Policy Support Unit

## Australia

### Australia's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Low average applied MFN tariff rates. Reduction in tariffs through the implementation of RTA/FTA commitments.
- Anti-dumping duties have been terminated for several products, but others still remain,
- Simplification of documentation for importing goods for human consumption.
- Temporary export restrictions have been imposed on liquefied natural gas.
- Goods and Service Tax (GST) extended to service sectors but with some exceptions made for some non-resident suppliers.
- Local content requirements apply to television and radio broadcasting.
- Increase of minimum thresholds to review proposed foreign investments. However, all proposed land investments need to be screened. Exceptions apply for investors from FTA partners, which are subject to screening thresholds.
- Restrictions on investment have been put in place in the real estate market and agricultural land.
- No specific trade concerns have been raised against Australia in recent years at WTO SPS and TBT Committees.
- Trans-Tasman Patent Attorney Regime is in place. New and amended copyright regulations and overall reduction in cost of registering trademarks.
- Improvements to competition policy regulation. Further incentives to lodge competition complaints.
- Introduction of system facilitating disputes through mediation regarding intellectual property-related issues.
- Measures implemented to facilitate the issuance of visas. Work and Holiday Visa Programme has been expanded in recent years.

#### Summary of Topics

##### Tariffs

Simple average applied MFN tariffs are low at 2.5% in 2016 based on the Harmonized System nomenclature at the six-digit level.

Australia continues to report progress in reducing tariffs, by implementing tariff phase-outs for several agreements, such as those with Korea, Japan and China.

##### Non-Tariff Measures

Import requirements for goods of human consumption were amended to reduce the number of required documents. Food labelling was also introduced. It requires the display information regarding the origin of a product, to provide more information to customers about where those products come from.

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\* The brief report was prepared with information from Australia's submission of 2018 APEC individual Action Plan (IAP) template; Australia Anti-Dumping Commission; Australia Department of Foreign Affairs and Trade; WTO SPS & TBT Notification Alert System; WTO World Tariff Profiles 2017; WTO Trade Monitoring Database; Australia Department of the Treasury; Australian Taxation Office; Australia Foreign Investment Review Board; Australian Department of Home Affairs; IP Australia; Australian Competition and Consumer Commission; Standards Australia; and Parliament of Australia websites.

Temporary export restrictions on Liquefied Natural Gas (LNG) were imposed in 2017 as a result of domestic supply shortages.

Anti-dumping duties have been terminated for several products such as those of bio fuels and poly (vinyl chloride) homopolymer resins. However, other products such as hollow structural sections and deep drawn steel sinks are still subject to anti-dumping duties.

### Services

The Professional Services Mutual Recognition programme established in 2016 aims at ensuring greater recognition of Australian qualifications as well as reducing obstacles encountered by Australian business providing services abroad.

Also, amendments made to Australia's tax laws on Goods & Service Tax (GST) in 2016 extends its application to all cross border service and digital transactions and ensures that non-resident suppliers are not subject to GST should conditions be met. This reduces compliance cost for both importers and non-resident suppliers.

Television broadcasters and commercial radio stations remain subject to various local-content requirements.

### Investment

Amendments to Australia's foreign investment framework are aiming to streamline procedures, clarify land use restrictions and reduce regulatory burden. In addition, the revised Australia-Singapore FTA, effective from December 2017, is facilitating Singaporean investments in Australia by eliminating the need for review to investments below AUD 1.094 billion in non-sensitive sectors. Except the case of investors from FTA partners, from 1 January 2018, the screening thresholds to foreign investments is equal to AUD 261 million (except media and agribusiness). For agribusiness, the threshold is equal to AUD 57 million.

In the case of proposed land investments, all foreign investments, except those from FTA, need to be reviewed. Those from FTA partners are subject to review if the amounts are above minimum thresholds in certain specific cases.

However, restrictions on investments have been put in place in recent years. For example, regarding investment in real estate, in order to tackle rising housing costs, the main residence capital gains tax exemption has been removed, foreign investors can only buy new property and have to occupy their property within 6 months, and the sale of new apartments to foreigners is capped at 50% of the new residential development. Also, in the case of agricultural land, foreign investors have to show that the land has been marketed widely for a minimum of 30 days

### Standards and Conformance

The Department of Industry, Innovation and Science released a "Best Practice Guide to Using Standards and Risk Assessments in Policy and Regulation", which assists policy makers in assessing the suitability of standards. The guide looks at WTO TBT obligations to be complied in the decision-making process.



Australia has adopted international standards for ISO 16739 for Building Information Model (BIM) data sharing. The standard incorporates a data scheme and an exchange file format for use in sectors such as architecture and construction, among others

Nine specific trade concerns against Australia have been reported without a resolution in the WTO SPS Committee. However, no concerns have been raised in recent years. The latest cases date back to October 2015 regarding delays in the start of risk analysis for avocados and in the approval process to export chicken meat to Australia. Regarding TBT issues, no specific trade concerns have been reported to the WTO TBT Committees since the end of 2014.

### **Customs Procedures**

As part of its efforts to facilitate exports, a new application was launched in September 2016 to provide information to exporters on export finance, licenses and regulations among others.

Also, Australia amended its Customs Tariff Act to implement the Harmonized System (HS) 2017 nomenclature, which incorporate the changes agreed upon in the World Customs Organization's fifth review of the International Convention on the Harmonized Commodity Description and Coding system.

### **Intellectual Property Rights**

Australia and New Zealand have put in place the Trans-Tasman Patent Attorney Regime since February 2017, which provides a single registration and administration system for patent attorney professions in both economies.

Copyright regulations were introduced and amended in 2017 to improve access of copyright materials for people with disability and ensure that they are well suited for the new digital developments. From October 2016, there has been an overall decrease in cost of registering trademarks and an increase in the cost of renewal of patents late in patent life.

### **Competition Policy**

Amendments made to Australia's competition law in October 2017 reduces the likelihood of market power being misused. The changes attempt to replace regulations that stifle competition within industries and streamline review procedures.

In addition, the Australian Competition & Consumer Commission (ACCC) launched an online tool to aid individuals in the agricultural sector to lodge competition complaints anonymously. This attempts to further incentivise individuals to report breaches of the law and increase competition in the sector.

### **Government Procurement**

With Australia's second revised offer in June 2017, some progress has been made in its accession to WTO's Government Procurement Agreement. It aims to conclude its accession by April 2018.

### **Implementation of WTO Obligations**

As part of its efforts to further develop its commitments under the expansion of the WTO Information Technology Agreement, Australia reduced its import tariffs with the expectation of phasing out the remaining tariffs by July 2019.



## Dispute Mediation

Investor-State Dispute Settlement provisions are included in 6 Free Trade Agreements (FTAs) and 20 Bilateral Investment Treaties.

Australia established the Intellectual Property Mediation Referral Service in July 2017, which is a register of qualified, accredited and specialized private mediation providers connecting affected parties with accredited and qualified mediation providers specialized in IP-related disputes. Also, IP Australia is collaborating with the World Intellectual Property Organization to enable international disputes to be resolved using digital facilities.

## Mobility of Business People

Previously, employers who were a sponsor to subclass 457 visa holders were required to contribute 1%-2% of annual business payrolls. However, with the changes made to the foreign employment requirements, employers are instead required to pay an annual foreign worker levy for temporary workers and a one-time levy for permanent skilled visa holders.

Measures have been implemented to facilitate the issuance of visas. For instance, Singaporean applicants can obtain multiple-entry visas valid for 6 years and Chinese applicants can apply for visitor visas online. Also, the Work and Holiday Visa Programme, allowing applicants between 18 and 31 years of age to work and holiday in Australia for one year, has been extended. Now, passport holders from 23 economies can apply for this visa.

## Transparency

A beta version of the IP policy register was published in 2017 to shed more light on the IP issues in Australia. The initiative aims to increase the availability of information available and increase participation in policy making.

Australia has also attempted to provide more transparency in government spending through the proposed amendments being discussed on the Australian Broadcasting Corporation Act 1983 (ABC Act) and the Special Broadcasting Services Act 1991. If legislated, it will provide more public information on the use of government funding within its state-owned corporations ABC and SBS.

## RTA/FTAs

Australia has 10 RTA/FTAs in force<sup>3</sup>. Negotiations on the Pacific Agreement on Closer Economic Relations Plus concluded in 2017. Signatories are currently in the process of ratifying the agreement and will enter into force once remaining 8 countries have. In addition, 4 agreements are currently under negotiation. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership was signed on 8 March 2018.

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<sup>3</sup> Australia's RTA/FTAs in force are the following ones: Australia-New Zealand (1983); Australia-Singapore (2003); Australia-United States (2005); Australia-Thailand (2005); Australia-Chile (2009); Australia-New Zealand-ASEAN (2010); Australia-Malaysia (2013); Australia-Korea (2014); Australia-Japan (2015); and Australia-China (2015)

## Brunei Darussalam

### Brunei Darussalam's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Tariffs have been lowered for certain goods, but excise duties have been increased in some cases.
- Non-tariff measures have been uploaded to the National Trade Repository for transparency.
- Local content requirements have been established for certain government projects.
- Companies Act (Amendment) Order 2017 has streamlined processes to start a business and eliminated the registration fees.
- Restrictions apply to foreign investors in specific sectors.
- Enhancements to the National Single Window have enabled auto-approval of customs declarations and import permits on some goods and a newly implemented Port Clearance Module allows electronic application of the clearance.
- A Competition Commission has been established to rule on competition matters.
- A tender advertisement portal has been added to the Ministry of Finance website.
- Brunei Darussalam established a Commercial Court in early 2016 to deal with commercial cases more quickly and efficiently.
- An Arbitration Centre (BDAC) began its operations to act as an alternative platform to court proceedings.
- Brunei Darussalam is joining international agreements on intellectual property rights.

#### Summary of Topics

##### Tariffs

Brunei Darussalam amended the customs import and excise duties to streamline its tax structure in April 2017. Import duties were reduced by 15 per cent for spare parts of cars and heavy vehicles and lowered by 10 per cent for spare parts of heavy machinery.

Excise duties have been enforced on food products with high sugar content as an effort to realise the objective of 'Towards a Healthy Society'. For environmental reasons, excise duties of 3 per cent were introduced on plastic and plastic products. Excise duties on certain other products, such as, mobile phones, video games, and leather and fur skin products have increased as well. 95.7 per cent of Brunei's tariff rates were at zero per cent after taking the amendments into account.

##### Non-Tariff Measures

Brunei Darussalam has updated its non-tariff measures to be in line with the UNCTAD Coding System and has uploaded the measures into the National Trade Repository to facilitate transparency.

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\* This brief report was prepared with information from Brunei Darussalam's submission of 2018 APEC Individual Action Plan (IAP) template; UNCTAD's Investment Policy Hub; Brunei Darussalam National Trade Repository; Brunei Darussalam National Single Window; Energy and Industry Department; Attorney General's Chambers; Monetary Authority of Brunei Darussalam; Ministry of Finance; BusinessBN; Prime Minister's Office; Judiciary; and Ministry of Foreign Affairs and Trade websites.

Licenses and permits are maintained for importing and exporting certain goods due to health, safety, environmental, moral or religious reasons. For instance, the import of pork and alcohol are restricted on health and religious grounds respectively. Import restrictions on certain products like food products, live animals, alcohol, medicines, motor vehicles and rice have been maintained.

The Local Business Development Policy Framework for the ICT Industry implemented a local contents requirement from 1 March 2017, requiring government ICT projects to meet specific levels of participation in terms of local ICT companies and workforce. The intention is to maximize local contents by ensuring the use of local manpower, products, and services in the development of local intellectual property.

### Services

The Companies Act (Amendment) Order 2017 introduced changes to increase the ease of starting a business by streamlining processes and removing the company name reservation fee of BND 5.

### Investment

Measures have been implemented in recent years to facilitate investments in Brunei Darussalam. For example, the Secured Transactions Order was enacted with comprehensive reforms to personal property law improving the standards for disclosure of borrower and lender information, and providing a credit enforcement framework. In addition, this legal framework also established a Collateral Registry System aimed to make getting credit easier for SMEs, individuals and businesses. Amendments to the Companies Act have introduced a reform to protect minority investors.

Some restrictions to foreign investors have been implemented recently. For instance, a land amendment code in June 2016 restricted the buying, selling or holding of land by non-citizens.

Brunei Darussalam has 21 international investment treaties in force as of March 2018.

### Standards and Conformance

In 2016, Brunei Darussalam established a Standards Reference Library and sale of standards books to increase awareness and disseminate information on standards that have been adopted and are being developed. Brunei Darussalam has continued enhancing the Standards Reference Library through the digitalisation of the standards documents with the aim to create better access and ease stakeholders' ability to preview international and local standards before making purchases.

A total of 153 Brunei Darussalam Standards (Piawai Brunei Darussalam, PBDs) have been published by 2018 and socialisation programmes have been actively conducted to create awareness amongst public and stakeholders on the PBDs published. A National Quality Infrastructure Order and a National Standards Order are currently being developed. In addition, a review of the current Weights and Measurements Act along with its subsidiary legislation are underway.

### Customs Procedures

Brunei Darussalam implemented an Accredited Client Scheme in line with the Authorised Economic Operator (AEO) standards called the 'Sutera Lane Merchant Scheme' to enhance the business environment and trade. Enhancements to its National Single Window (BDNSW) have been made by enabling auto-approval of customs declarations and import permits on some

goods and a Port Clearance Module has been implemented that allows electronic application of the clearance.

The payment of duties has been made easier through the introduction of online payment options. As of 1 April 2017, duty rates may be applied to the value of goods delivered into Brunei Darussalam irrespective of them being shown on the invoice.

As a member of ASEAN, Brunei Darussalam signed Protocol 2 on designation of frontier posts on 7 April 2017 to facilitate customs procedures, as part of the necessary steps to fully implement the ASEAN Framework Agreement on Facilitation of Goods in Transit (AFAFGIT) in the future.

### **Intellectual Property Rights**

Brunei Darussalam has been making significant reforms to its intellectual property rights policy. It recently joined the Madrid System for the international registration and management of trademarks enabling easier protection of trademarks, as well as the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. The Plant Varieties Order, 2015 was successfully examined by the International Union for the Protection of New Varieties of Plants (UPOV) in 2017 and is awaiting accession.

### **Competition Policy**

The establishment of a Competition Commission and the appointment of its members took place on 1 August 2017. The objective of this Commission is to rule on competition matters as stated in the Competition Order, which is being implemented in phases. Among the functions by the Competition Commission include adjudicating work on anti-competitive cases and imposing penalties on companies infringing the Competition Order.

### **Government Procurement**

A tender advertisement portal has been added to the Ministry of Finance website. Local private companies intending to participate in government tenders have to declare their latest annual returns and attain a certificate of tax compliance. In addition, all companies need to list out their local and foreign employees, while local companies need to submit a copy of the compliance letter from the Employee Trust Fund listing registration of the employee and the contribution paid.

### **Deregulation/Regulatory Review**

The Monetary Authority of Brunei Darussalam is revising its approach towards regulatory classification and provisioning in line with the implementation of the International Financial Reporting Standards 9 in the beginning of 2018.

### **Dispute Resolution**

Brunei Darussalam established a Commercial Court in early 2016 to deal with commercial cases more quickly and efficiently. In addition, a newly established Arbitration Centre (BDAC) began its operations in 2016 to act as an alternative platform to court proceedings.

### **Mobility of Business People**

There are visa-free or visa on-arrival facilities available to passport holders entering into Brunei Darussalam from 62 economies. Between January to June 2017, 135 people within Brunei Darussalam had been issued the APEC Business Travel Card (ABTC).

**RTA/FTAs**

Brunei Darussalam has eight FTAs/RTAs in force<sup>4</sup> and is part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) that was signed on 8 March 2018 and is awaiting ratification. Brunei Darussalam is also part of the Regional Comprehensive Economic Partnership negotiations.

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<sup>4</sup> Brunei Darussalam's RTA/FTAs in force are the following ones: ASEAN (1992); ASEAN-China (2005); P4 (2006); ASEAN-Korea (2007); Brunei Darussalam-Japan (2008); ASEAN-Japan (2009); ASEAN-Australia-New Zealand (2010); and ASEAN-India (2010).

## Canada

### Canada's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Low simple average MFN tariffs. Tariffs were unilaterally eliminated for agricultural food inputs in 2017.
- Tariff rate quotas are still applied for certain agricultural products.
- Some content quotas have been removed on radio and television, but still various local content requirements apply.
- Amendments were made to Canada's foreign investment act to facilitate foreign investments. Thresholds for mandatory review of proposed investments has been increased.
- Board and ownership restrictions for foreign investors are kept in a number of sectors.
- Strengthened international collaboration on standards at the bilateral, regional and multilateral level.
- Initiatives to modernize ports of entry have been put in place to make cross-border shipments easier and faster.
- Expansion of geographical indications and extension of IP border enforcement measures to protect geographical indications.
- Implemented the Marrakesh Treaty to facilitate access of materials for people with visual impairment or other perceptual disabilities. Amendments to Patented Medicines (Note of Compliance) Regulations to strike a balance between patent enforcement of new drugs and access to generic drugs.
- Increased competition in the telecommunication industry and increase in threshold for pre-merger notifications.
- Ratification the United Nations Convention on Transparency in Treaty-Based Investor Trade Arbitration.
- The Global Talent Stream initiative fast tracks highly-skilled applicants to obtain work permits.

#### Summary of Topics

#### Tariffs

Based on the Harmonized System (HS) nomenclature at the 6 digit level, Canada's simple average MFN tariff in 2016 is low at 4.1%. Canada has eliminated all tariffs on machinery and equipment, and industrial manufacturing inputs. In the same way, MFN tariffs were unilaterally eliminated in 2017 for several agricultural food inputs, including several fruits, vegetables, grains, spices, fats and oils, among others.

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\* This brief report was prepared with information from Canada's submission of the 2016 APEC Individual Action Plan (IAP) template; Canada Gazette; Global Affairs Canada; WTO I-TIP Goods; WTO I-TIP Services; WTO Sanitary and Phytosanitary Information Management System; WTO World Tariff Profiles 2017; OECD; Parliament of Canada; Standards Council of Canada; International Organization for Standardization; International Electrotechnical Commission; Canadian Radio-television and Telecommunication Commission; Competition Bureau Canada; Public Works and Government Services Canada; Ministry of the Attorney General; Legislative Assembly of Ontario; Ministry of Economic Development and Growth; Employment and Social Development Canada; Agriculture and Agri-Food Canada; and Canada Transportation Agency websites.

Canada maintains a supply management system on some food products, namely dairy, chicken, turkey and eggs, with the intention of avoiding costly surpluses or shortages. Imports of those products are subject to the application of tariff rate quotas.

### **Non-Tariff Measures**

The Canadian government in 2018 launched an online webpage called “Register a Trade Barrier” to allow businesses to lodge complains on barriers impeding trade or investments.

Import prohibitions apply to certain products such as obscene material; base or counterfeit coins; goods produced by prison labour; used and second-hand mattresses and materials therefrom; false description of goods with geographic origin of goods and goods with trademarks; used or second-hand motor vehicles; white phosphorus matches; and hate propaganda.

Import permits are required for some products due to public health, safety and environmental reasons, or the compliance of international commitments. Weapons and toxic chemicals, carbon steel and specialty steel products and certain textile, apparel and food products are among the products included in the Import Control List.

### **Services**

Whilst some content quotas have been removed from Canadian radio and television in recent years, some local content requirements still apply. For example, commercial radio stations must ensure that at least 35% of the popular music is Canadian content, as well as the popular music broadcast from 6 am to 6 pm during weekdays. For CBC/Radio Canada, the minimum percentage of Canadian content for popular music selections is 50%. In the case of television stations, local content requirements vary in terms of the language used (English or French) and markets (metropolitan or non-metropolitan). In addition, a minimum level of local news and the allocation of a percentage of last year’s revenue to local news are required. The exhibition and expenditure levels are determined during the renewal of the station license.

### **Investment**

In 2017, amendments were made to Investment Canada Act to facilitate investments, by increasing review thresholds for proposed foreign investments to CAD 1 billion in the case of non-state-owned enterprises and CAD 1.5 billion for trade agreement investors that are non-state-owned enterprises. In 2018, a minimum threshold equivalent to CAD 398 million was established for the review of potential foreign investments from state-owned enterprises.

Board restrictions still remain for foreign investors in certain sectors. For example, not less than 80% of board members in telecommunications companies have to be Canadians. Likewise, ownership restrictions are in place in some sectors. Foreigners can own a maximum of 25% of Canadian air carriers.

As of January 2018, Canada has implemented 37 Foreign Investment Promotion and Protection Agreements, with agreements with Burkina Faso, Guinea and Mongolia being put in-force in 2017.

### **Standards and Conformance**

The Standards Council of Canada is strengthening bilateral collaboration with similar entities from China and Peru. These collaborations include work on standardization and capacity-building activities.



Canada has also actively participated in 362 technical committees under the International Organization for Standardization (ISO) and 101 technical or sub-committees under the International Electrotechnical Commission (IEC).

There have been no recent specific trade concerns raised against Canada in the WTO SPS and TBT Committees. However, in November 2017, Ecuador reported a partial resolution of a complaint against Canada raised in March 2010 regarding the import maximum residue limit for 1-Methylcyclopropene pesticide on bananas.

### **Customs Procedures**

Initiatives to modernize ports of entry have been put in place in recent years. In 2017, the Canada Border Services Agency began to use radio frequency identification technology (RFID) in selected land ports of entry. In addition, new Free and Secure Trade (FAST) lanes have opened in the Canada-U.S. border to enhance trade security and make cross-border commercial shipments easier and faster.

Amendments were made to the Customs Act in 2017 to exempt individuals as well as imported goods on board a conveyance who did not land or stop in Canada from presenting themselves to Canadian customs unless otherwise required.

### **Intellectual Property Rights**

With the implementation of Bill C-30 to put in force the Comprehensive Economic and Trade Agreement between Canada and the European Union, Geographical Indications (GIs) were expanded to include several agricultural products and foodstuffs, as well as extending IP border enforcement measures to include protected GIs.

As part of Canada's commitments to CETA, it also implemented the Certificates of Supplementary Protection (CSP) in 2017 to ensure up to two years of additional protection to drugs protected by an eligible patent after the expiration of the patent. Also, amendments were made to the Patented Medicines (Notice of Compliance) Regulations in order to strike a balance between the patent enforcement on new drugs and the market entry of generic ones. This regulation create a patent linkage regime tying the regulatory approval of generic medicines with the protection of patent rights.

Amendments to the Copyright Act were implemented in 2016 to put in force the Marrakesh Treaty which facilitates access to published works for persons with visual impairment or other perceptual disabilities. In addition, Canada has initiated the process to amend its Industrial Design Regulation, Trademark Regulations and Patent Rules.

### **Competition Policy**

In 2015 it was announced that the companies in the broadband internet market will be required to allow competitors to tap on their fibre facilities so as to increase competition. While rates for these services are yet to be determined, the Canadian Radio-television and Telecommunications Commission (CRTC) in 2017 have implemented interim rates.

In February 2018, Canada's Competition Bureau increased its pre-merger notification threshold from CAD 88 million to CAD 92 million (value of either its book value of assets, gross revenue of sales or revenue generated from assets).



Canada has also signed a memorandum of understanding with New Zealand and Australia to combat unsolicited commercial electronic messages sent to consumers.

### **Government Procurement**

In 2016, Shared Services Canada (SSC) shifted its procurement activities to the Procure-to-Pay Portal to streamline the procurement to payment process. Similarly, Canada launched a pilot program in March 2018 allowing bidders in the National Capital region to submit tenders electronically on Canada Posts epost Connect service. It is currently in the process of extending its application to other regions across Canada.

### **Deregulation/Regulatory Review**

As part of its efforts to reduce regulatory restrictions, Canada implemented the Cutting Unnecessary Red Tape Act 2017. It aims to reduce regulatory practices that lead to unnecessary wastage of time and money.

### **Implementation of WTO Obligations**

In December 2016, Canada officially ratified WTO's agreement on Trade Facilitation. Also, Canada has granted duty free status since July 2016 to most products under the expansion of the WTO Information Technology Agreement.

### **Dispute Mediation**

On 13 December 2016, Canada ratified the United Nations Convention on Transparency in Treaty-Based Investor Trade Arbitration which ensures greater transparency in arbitration proceedings.

### **Transparency**

On 7 July 2017, Canada signed the Multilateral Convention to Implement Tax Treaty Related Measures to prevent Base Erosion and Profit Shifting. This agreement aims to prevent businesses from evading corporate tax by shifting profits to low or no-tax locations.

### **Mobility of Business People**

The Global Talent Stream was launched in June 2017 to match immigration needs of Canada with skilled foreign labour. The initiative fast tracks highly-skilled foreigners to obtain a work permit. Moreover, the limit placed on the cumulative number of years a foreign individual can work in Canada was eliminated.

In 2016, Canada introduced entry requirements requiring visa-exempt individuals (apart from US citizens) to apply for an Electronic Travel Authorization in order to enter or transit through Canada by air.

### **RTA/FTAs**

Canada has 14 RTA/FTAs in-force<sup>5</sup>. In 2017, Canada put two agreements in force, with the European Union (on 21 September 2017) and with Ukraine (on 1 August 2017).

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<sup>5</sup> Canada's RTA/FTA's in force are the following ones: Canada-United States (1989); Canada-NAFTA (1994); Canada-Israel (1997); Canada-Chile (1997); Canada-Costa Rica (2002); Canada-European Free Trade Association (2009); Canada-Peru (2009); Canada-Colombia (2011); Canada-Jordan (2012); Canada-Panama (2013); Canada-Honduras (2014); Canada-Korea (2015); Canada-Ukraine (2017); and Canada-European Union (2017)

## Chile

### Chile's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Low effective average tariff due to the implementation of trade liberalization schemes in an extensive network of RTA/FTAs.
- No quantitative or national treatment restrictions. Few import prohibitions are in place due to safety, animal, plant and human health, environmental and moral grounds.
- Drawback system in place for some exporters of non-traditional goods.
- Openness in services and investment continue to deepen through RTA/FTA negotiations. Some limitations for foreign investments in maritime transport.
- Strengthened coordination in standards and conformance through the National Commission on Technical Barriers to Trade.
- Measures to continue modernization of customs operations. Upgrades and new functions to Chile's trade single window.
- International agreements in intellectual property rights have been implemented in recent years.
- Amendments to Antitrust Laws were implemented in 2017.
- New initiatives have been put in place to improve public procurement system and facilitate government procurement transactions.
- A new visa scheme is in force to facilitate working visas to professionals in the ICT sector.
- Comprehensive RTA/FTA network. New agreements have been signed recently.

#### Summary of Topics

##### Tariffs

Chile applies a flat MFN import tariff of 6% to all products, except for very few non-agricultural products whose MFN tariff is equal to zero (e.g. helicopters and airplanes). Nevertheless, Chile's effective average tariff, taking into account RTA/FTAs preferential treatments, was equal to 0.86% in 2017.

Chile is also reducing tariffs through the implementation of new RTA/FTAs. For instance, the Additional Protocol to the Framework Agreement of the Pacific Alliance entered into force on 1 May 2016.

##### Non-Tariff Measures

Chile does not apply quantitative or national treatment restrictions. However, some import prohibitions are in place due to safety, plant, animal and human health, environmental and moral grounds. According to the Customs National Service, it is prohibited to import used vehicles, used bicycles, used and retreaded tires, asbestos, pornography, toxic industrial waste and goods that could harm to agriculture, animals or people (e.g. certain insecticides, toys containing toluene, among others).

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\* This brief report was prepared with information from Chile's submission of 2018 APEC Individual Action Plan (IAP) template; the WTO Tariff Database; the WTO TBT Information System; the OECD Reviews of Regulatory Reform - Regulatory Policy in Chile: Government Capacity to Ensure High-Quality Regulation and information from Aduanas Chile; Chile Atiende; Sistema Integrado de Comercio Exterior; Biblioteca del Congreso Nacional de Chile; Chile Compra; InvestChile; and Departamento de Extranjería y Migración websites.

A drawback system is in place to allow exporters of non-traditional goods that contain at least 50% of imported inputs to request the restitution of 3% of the free-on-board value of the export transaction. The system is not applicable in some cases. For instance, due to RTA/FTA commitments.

### Services

Chile continues to open its services sectors through commitments in RTA/FTAs. The services chapter in the Pacific Alliance entered into force in May 2016. In addition, services chapters were included in FTA signed with Uruguay (2016), the enhancement of the FTA with China (2017) and the Comprehensive and Progressive Trans-Pacific Partnership Agreement (2018).

### Investment

No changes in Chile's foreign investment regime have been reported since the last Bogor Goals Assessment in 2016. In general, foreign investors have access to all sectors with few exceptions. For example, in the maritime transport sector, as foreigners are subject to an ownership limit of 49% to register vessels and foreign participation in cabotage is restricted.

According to the UNCTAD Investment Policy Hub, Chile has 38 bilateral investment treaties in force and 25 other treaties with investment provisions in force. Among new bilateral treaties, Chile signed an investment agreement with Hong Kong, China on 18 November 2016 and a commercial agreement, including an investment chapter, with Argentina in November 2017.

### Standards and Conformance

Chile has reported strengthened coordination process in this area, through the National Commission on Technical Barriers to Trade. Besides its coordination role, this commission is a permanent fora in which government agencies can share their expectations and concerns regarding the government's standardization agenda. Public consultation is part of the process in all Chilean regulations.

Work regarding the alignment of domestic standards with international standard continues. Similarly, Chile is participating actively in international standardization activities and international cooperation in many technical areas. For example, Chile has been chosen as a pilot economy for the Laboratory Competency Strengthening Initiative Building Comprehensive Laboratory Capacity, which is under the Food Safety Cooperation Forum Partnership Training Institute Network.

Only one specific trade concern has been raised in recent years against Chile at the WTO TBT Committee. This case, about amendments to food health regulations, was raised for the last time in November 2016.

### Customs Procedures

Several measures to continue the modernization of customs operations were implemented in 2017. For instance, the SICEX (Integrated Foreign Trade System), Chile's single window to facilitate trade transactions, released new upgrades and functions in its platform. In addition, interoperability with single windows from other Pacific Alliance members was implemented, starting with the exchange of phytosanitary certificates.

In the same way, the Law 20997 on customs modernization, created the Authorized Economic Operators (AEO)'s legal basis, by allowing customs to implement regulation on the matter and approve AEO status for those operators meeting the requirements. In addition, the Law considers a number of measures aimed to expedite custom procedures, such as to allow SMEs

and AEOs the release of goods before duties and taxes are paid, subject to the provision of a guarantee.

### **Intellectual Property Rights**

In 2016, Chile put in force the amendment to the Agreement on Trade-Related Aspects of Intellectual Property Rights, incorporating flexibility to the system of compulsory licenses on patents for medicines.

Chile also ratified the Marrakesh Treaty to facilitate access to published work for people who are blind, visually impaired or have other disabilities to access printed publications.

### **Competition Policy**

Amendments to the Antitrust Law were implemented in 2017, which include strengthening the deterrence effect of cartel persecution with higher fines and imprisonment penalties; applying a mandatory notification system for merger review; and new powers to the antitrust agency to conduct market research and request information to private undertakings for those effects.

### **Government Procurement**

A number of initiatives to improve the public procurement system and facilitate transactions have been implemented in recent years. In 2017, a simplified tendering pilot was put in place by 10 public institutions for certain purchases. Furthermore, Chile launched Microcompra, an initiative that connects public institutions with e-commerce platforms to facilitate a new system for small amount government purchases.

In January 2018, Chile launched a renewed open contracting data platform, which includes useful information to anyone interested in participating in public procurement, such as the public institutions involved in procurement, how much is purchased by each of them, and which goods and services are demanded. The platform also includes information on which individuals and firms are allowed to sell to public institutions.

### **Deregulation/Regulatory Review**

Chile has implemented Law 20730, regulating lobbying and activities representing particular interests before authorities and officials.

The OECD and Chile's Lower Chamber have signed an agreement on best legislative practices, in order to exchange knowledge and promote practices to improve public policies through quality regulation.

### **Dispute Resolution**

Chile has reported its participation in WTO, as a third party, in six active disputes.

### **Mobility of Business People**

A new initiative called Visa Tech has been implemented. Its purpose is to facilitate the issuance of working visas to foreigners who are owners, partners and shareholders of information, communications and technology (ICT) service companies, as well as to highly qualified workers in this area. The initiative allows the visa issuance in no more than 15 working days.

A temporary Visa of opportunities for workers and for entrepreneurs and investors wishing to come to Chile for these purposes was put in place from 1 August 2018.

### RTA/FTAs

Chile has implemented a comprehensive RTA/FTA network with 26 RTA/FTAs in force<sup>6</sup>. In 2017, Chile signed a supplementary agreement on trade in services and a protocol to amend the FTA with China. Likewise, it signed the Comprehensive Economic Partnership Agreement with Indonesia. In 2018, Chile signed the Comprehensive and Progressive Trans-Pacific Partnership Agreement.

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<sup>6</sup> Chile's RTA/FTAs in force are the following ones: Chile-Venezuela (1993); Chile-Bolivia (1993); Chile-Ecuador (1994); Chile-MERCOSUR (1996); Chile-Canada (1997); Chile-Mexico (1999); Chile-Central America (2002); Chile-EU (2003); Chile-United States (2004); Chile-EFTA (2004); Chile-Korea (2006); P4 (2006); Chile-China (2006); Chile-India (2007); Chile-Japan (2007); Chile-Panama (2008); Chile-Cuba (2008); Chile-Peru (2009); Chile-Colombia (2009); Chile-Australia (2009); Chile-Turkey (2011); Chile-Malaysia (2012); Chile-Viet Nam (2012); Chile-Hong Kong, China (2014); Chile-Thailand (2015); and Pacific Alliance's Additional Protocol (2016).

## China

### China's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Average MFN tariffs in China were 9.9% in 2016. Tariff rate quotas are applied to certain agricultural products.
- Import and export licenses are required for some goods. Export quota abolished for five types of products.
- Liberalisation in services trade continues in specific sectors. Free Trade Zones (FTZs) set up in seven areas promoted services liberalization.
- The “Catalog for the Guidance of Foreign Investment” used a negative list for the first time to determine the sectors with foreign investment restrictions.
- China continues to participate actively in international organisations such as ISO and IEC. Several TBT and SPS concerns were raised at their respective WTO committees.
- A single window initiative covering all ports in China was implemented in 2017. China aims to implement four Category B measures under WTO Trade Facilitation Agreement by 2020.
- Trademark applications and trademark application channels increased in China in 2017.
- Increased number of merger cases being notified to the Ministry of Commerce for review.

#### Summary of Topics

##### Tariffs

China's simple average MFN tariff rate was 9.9% in 2016. Average MFN tariff rates for agricultural products were 15.5%, higher than those of non-agricultural products at 9.0%. Nonetheless, the number of duty free tariffs lines were fairly similar in both products, with 7.2% duty free tariff lines in agricultural goods, and 6.6% duty free tariff lines in non-agricultural goods. Progress in tariff reductions were aided by existing and new FTAs. China reduced MFN tariffs on IT products, with the second phase of tariff reductions starting in July 2017.

Certain products continue to be subjected to tariff rate quotas (TRQs), such as agricultural products like wheat, short- and medium- grain rice, long grain rice, and corn, among others.

##### Non-Tariff Measures

China updated the “Catalog of Goods Subject to Automatic Import Licensing” in December 2017, which included 49 categories of products ranging from: agricultural products like animal meat and grains, electrical goods like mobile communications devices, automobiles, and machinery as well as medical equipment.

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\* This brief report was prepared with information from China's submission of 2018 APEC Individual Action Plan (IAP) template; the 2016 WTO Trade Policy Review – Report by the Secretariat – China; the WTO SPS and TBT Information Systems; UNCTAD Investment Policy Hub; Reuters; Ministry of Commerce; General Administration of Customs; National Development and Reform Commission; Cyberspace Administration of China; and The State Council of the People's Republic of China websites.

The “2018 Catalogue of Goods Subject to Import License Administration” containing 13 categories of goods was also revised, such as: construction and agricultural machinery, ozone depleting substances, and electrical equipment.

The “Catalogue of Goods Subject to Export License Administration” was promulgated on 1 January 2018. 44 categories of goods were listed in the catalog including live animals, cereals, mineral oils and products and automobiles. Starting from 1 January 2017, China has abolished the export quota measures on five types of goods such as magnesia sand, talc (block), tin and tin products, antimony and antimony products and indium. These products continue to be subjected to export licensing requirements.

In 2017, China updated the “Administrative Catalogue of Dual-use Items and Technology for Import and Export Permission”. The list of items requiring licensing under this provision has expanded to include products such as triethanolamine mixture, methyldiethanolamine mixture, and certain lasers, in addition to existing products such as nitrogen gas, high voltage power supplies, and radioactive isotopes.

### Services

Some restrictions to foreign participation in specific services sectors have been reduced. For example, since January 11, 2016, foreign-funded enterprises can apply for a certification to allow them to undertake urban-and-rural planning work. Also, the Code of the People’s Republic of China Governing the Registration of Ships issued in 2016 has relaxed the participation of foreign capital in the shipping industry in certain cases.

Free Trade Zones (FTZ) were set up in Liaoning, Zhejiang, Henan, Hubei, Chongqing, Sichuan and Shanxi by the State Council of China. Wholly foreign-owned companies involved in international shipping service in and out of the relevant Chinese ports are allowed to be set up. The foreign ownership cap in establishing the international shipping agent joint ventures was also lifted up to 51%.

### Investment

In January 2017, the State Council promulgated the Circular on Several Measures for Furthering Opening-Up and Expanding the Utilization of Foreign Capital which stipulated a series of measures aiming to encourage the participation of foreign investments in specific manufacturing and services sectors, including energy, water and financial sectors, and give local governments the faculty to offer incentives to attract foreign investors.

Other measures to promote foreign investment were enacted. For instance, on 17 February 2017, the revised version of the “Catalog of Advantageous Foreign-Funded Industries in Central and Western Regions” was released and expanded the scope of the foreign-invested industries in the central and western regions. Likewise, on 28 June 2017, the revised “Catalog for the Guidance of Foreign Investment”, issued for the first time a negative list on foreign investment access implemented nationwide, and reduced restrictions on foreign investment by about one-third.

### Standards and Conformance

The China Compulsory Certification (CCC) was reformed to include new measures that were more market oriented and simplified certification procedures, including the opening of the CCC certification and testing market, the reduction of the frequency for ex-post certification supervision and the elimination of initial factory inspections for certain industries.



Up to the end of the 2017, China is a participating member of 696 International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) technical and sub-committees.

As of March 2018, no resolution had been reported on a number of specific trade concerns raised against China at the WTO Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Committees respectively. TBT-related concerns raised between 2016 and 2017 include issues relating to information security products, vehicles, and infant formula, among others. Some of the SPS-related concerns raised against China in recent years relate to import restrictions due to Schmallenberg virus, avian influenza and swine fever.

### **Customs Procedures**

China ratified the WTO Trade Facilitation Agreement in September 2015. As of February 2018, China set a three-year transitional period in implementing the four Category B measures of single window, average release time, information exchange, and provision of information by 2020.

Regarding trade facilitation, China implemented the basic functions of its single window initiative in 2017, covering all ports for exporters and importers. In addition, China has signed Mutual Recognition Agreements (MRAs) on Authorized Economic Operators (AEO) with the European Union; Singapore; Korea; New Zealand; Switzerland; Israel; Australia and Hong Kong, China.

### **Intellectual Property Rights**

The Notice on Strengthening the Administration of Copyrights in Online Literature was issued on 4 November 2016, which clarifies the responsibilities of internet service providers and third-party network service providers in ensuring online literature disseminated by them are in accordance with copyright laws.

Trademark applications increased from 3.69 million in 2016 to 5.75 million in 2017. Application channels were also expanded, with over 100 trademark application reception windows all over China.

### **Competition Policy**

The National Development and Reform Commission, the Ministry of Finance, the Ministry of Commerce, the State Administration for Industry and Commerce and the Legislative Affairs Office of the State Council released the Opinions of the State Council on Establishing a Fair Competition Review Regime in the Market System in 2016 and the Notice on Issuing the Fair Competition Review System Implementing Regulations (Interim) in 2017. The review system aims to prevent policies and measures that obstruct or restrict competition from being issued.

In 2017, the Ministry of Commerce was notified of 400 merger review cases (an increase from the 378 cases notified in 2016), reviewed 353 cases and concluded 344 cases. Among the cases concluded, 7 were cleared with remedies.

### **Dispute Resolution**

As of February 2018, China has signed Bilateral Investment Treaties (“BITs”) with 131 economies. Investors of the contracting parties are entitled to submit their disputes with the specific actions of the invested contracting party to international arbitration in accordance with the provisions of the BIT.



### **Government Procurement**

Negotiations regarding China's accession to the WTO Government Procurement Agreement are ongoing.

### **Mobility of Business People**

China updated the online lodgment system to apply for an APEC Business Travel Card (ABTC). Regulations on the ABTC have been updated with the aim of further ensuring the qualification of Chinese ABTC applicants. In 2017, ABTC holders used this card over 284,000 times to enter China, an increase of 9.5% compared with 2016.

### **RTA/FTAs**

China has reported 15 RTA/FTAs in force<sup>7</sup> and 11 more under negotiation, including with Japan and Korea; the Gulf Co-operation Council and the Regional Comprehensive Economic Partnership (RCEP).

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<sup>7</sup> China's RTA/FTAs in force are the following ones: China-Hong Kong, China (2003); China-Macao, China (2003); China-ASEAN (2005); China-Chile (2006); China-Pakistan (2007); China-New Zealand (2008); China-Singapore (2009); China-Peru (2010); China-Costa Rica (2011); China-Chinese Taipei (2011); China-Iceland (2014); China-Switzerland (2014); China-Korea (2015); China-Australia (2015); and China-Georgia (2018).

## Hong Kong, China

### Hong Kong, China's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Hong Kong, China applies no tariffs on its imports.
- Non-tariff measures for protection of domestic industries are not imposed, but import licenses for certain goods still required.
- Hong Kong, China maintains a liberal, open and transparent regime for services trade and investments.
- The number of Authorised Economic Operators (AEO) mutual recognition agreement (MRAs) have increased.
- Customs procedures and government procurement processes were enhanced by the use of online platforms.
- The Patents (Amendment) Ordinance 2016 was enacted to pave the way for the launch of an original grant patent system.
- Two amendment bills were passed to facilitate the settlement of disputes on intellectual property rights by arbitration, and to clarify matters relating to third-party funding for arbitration and mediation.
- The Competition Commission achieved a number of milestones in the first two years of full implementation of the Competition Ordinance, including initiating two court cases against anti-competitive conduct.
- Mobility of business people was facilitated through the use of technology.
- Hong Kong, China continues to expand its network on RTAs/FTAs.

#### Summary of Topics

##### Tariffs

Hong Kong, China applies no tariffs on all imports. As of the end of 2017, bound MFN tariffs were zero on 3,582 tariff lines (about 47.4% of all lines). This accounts for 72.1% of imports in 2016 value terms.

Since 1 July 2016, Hong Kong, China has zero-bound tariffs on all 201 information technology products listed in the attachment to the Ministerial Declaration on the Expansion of Trade in Information Technology Products.

##### Non-Tariff Measures

Hong Kong, China does not impose quantitative restrictions or non-tariff barriers for the protection of domestic industries. Hong Kong, China continues to maintain only those non-tariff measures that are required to protect public health, safety, security and the environment, and to fulfil obligations under international agreements.

Import and export licences from the Trade and Industry Department are required for the following goods: strategic commodities, rice, ozone depleting substances and rough diamonds.

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\* This brief report was prepared with information from Hong Kong, China's submission of 2018 APEC Individual Action Plan (IAP) template; the 2014 WTO Trade Policy Review - Report by the Secretariat – Hong Kong, China; Hong Kong, China's Trade and Industry Department; Intellectual Property Department; and Competition Commission websites.

In addition, traders importing cereals and grain flour from China should register with the Trade and Industry Department, and any exports of powdered formula also require a licence.

The Department of Health is developing an online electronic licensing system which aims to expedite the processing of import licence applications for the import of radioactive substances and irradiating apparatus. This electronic licensing system will be launched in late 2019.

### Services

Hong Kong, China maintains a liberal regime for trade in services. Most service sectors are free and open, and foreign service providers and traders normally enjoy national treatment.

### Investment

Hong Kong, China continues to have an open and transparent investment regime. In general, there are no special legislation, regulations or administrative guidelines governing foreign investment, except for the broadcasting sector.

Hong Kong, China has signed 20 Investment Promotion and Protection Agreements (IPPAs). In addition, an Investment Agreement under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) was signed on 28 June 2017, in which Hong Kong, China will not impose any new discriminatory measures on investments and investors in non-services sectors from its counterpart.

Invest Hong Kong (InvestHK), the Government's investment promotion agency, has assisted around 4,600 companies in establishing presence or expanding operation in Hong Kong, China since its establishment in 2000. According to the latest survey, Hong Kong, China was host to over 8,200 companies representing their parent companies located outside Hong Kong, China as at 1 June 2017.

The “Dedicated Fund on Branding, Upgrading and Domestic Sales” (the BUD Fund) and the Export Marketing Fund (EMF) have been enhanced in August 2018 to strengthen support to Hong Kong, China's enterprises, especially small and medium enterprises. After enhancement, the geographical scope of the BUD Fund, which currently aims at increasing Hong Kong, China's enterprises' competitiveness in China, will be extended to cover the Association of Southeast Asian Nations (ASEAN) markets. The cumulative funding ceiling per enterprise under the BUD Fund and the EMF, which aims at helping enterprises carry out export promotion activities, will be increased.

### Standards and Conformance

International standards are adopted as far as possible, including the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) standards, where applicable.

Hong Kong, China recognises 32 testing laboratories as conformity assessment bodies (CABs) for testing telecommunications equipment as of April 2018. Of the 32 recognised testing laboratories, 26 are designated by the US, three by Chinese Taipei, two by Canada and one by Singapore.

Hong Kong Accreditation Service (HKAS)<sup>8</sup> has been a signatory to the Pacific Accreditation Cooperation (PAC) and International Accreditation Forum (IAF) Multilateral Recognition Agreement (MLA) for energy management system certification since March 2017 and April 2018, respectively. Regarding food safety management system certification, HKAS also became a signatory to the MLA of PAC and IAF in mid-2017.

### **Customs Procedures**

As of December 2017, 43 companies have been accredited as AEOs under the Hong Kong Authorized Economic Operator (HKAEO) Programme launched in April 2012. Hong Kong, China also entered into AEO mutual recognition arrangements (MRAs) with Malaysia, Japan and Australia Customs in March 2016, August 2016 and July 2017 respectively

The Single E-lock Scheme was formally launched on 28 March 2016 to enhance the clearance efficiency of intermodal transshipment cargo across the boundary. Under the scheme, Hong Kong Customs' Intermodal Transshipment Facilitation Scheme (ITFS) is interconnected with the Speedy Customs Clearance (SCC) of the Customs administrations of Guangdong Province to build a "green lane" for facilitating logistics flow.

The electronic licensing system on dutiable commodities (DC) was launched in January 2017 to enable traders to submit DC licence applications through electronic means; and to receive automatic reminders of licence renewal and electronic notification of payment of licence fees.

### **Intellectual Property Rights**

Hong Kong, China continues to enhance its intellectual property (IP) regime. The Patents (Amendment) Ordinance 2016 was enacted in June 2016 to provide for the essential legal framework for setting up an original grant patent system and refining the pre-existing short-term patent system. Subject to the progress of the necessary preparatory tasks, the new patent system is expected to launch in 2019.

The Intellectual Property Department (IPD)'s IP Manager Scheme continues to help SMEs build up their IP manpower capacity and has benefitted over 730 SMEs as of end 2017.

In terms of IP enforcement, Hong Kong Customs has been conducting on-going operations to seize counterfeit goods and combat internet piracy. Its Electronic Crime Investigation Centre, which was awarded the ISO 9001:2016 accreditation of Quality Management System, has enhanced the capacity of Customs in detecting internet piracy and making investigations. The successful prosecution against a piracy syndicate circumventing paid TV channels in December 2017 coupled with the heavy sentences handed down by the court (the heaviest penalty ever for internet piracy in Hong Kong, China) acted as a strong deterrent to similar piracy activities.

### **Competition Policy**

Hong Kong, China continues to promote competition through law enforcement, public education as well as market research and studies. Since the full commencement of the Competition Ordinance in December 2015, the Competition Commission has received over

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<sup>8</sup> At present, HKAS is an MRA signatory to both the Asia Pacific Laboratory Accreditation (APLAC) and the International Laboratory Accreditation Cooperation (ILAC) for testing, calibration, medical testing, and inspection; and to APLAC for proficiency testing provider and reference material producer. For certification, apart from the recently concluded MLA for energy management system certification and food safety management system certification, HKAS is also a signatory to the MLA of both PAC and IAF for Quality Management System (QMS), Environmental Management System (EMS) and Product Certifications. In addition, HKAS became a PAC MLA signatory to Greenhouse Gas (GHG) validation and verification in 2015.

2,600 complaints and enquiries. During the same period, 153 cases were escalated to the initial assessment phase, with most of the cases relating to alleged cartel conduct.

### **Government Procurement**

An e-Tender Box, which replaces the Electronic Tendering System, has been implemented since 2010 to allow submission of tenders to be done online. By end 2017, the e-Tender Box was enhanced to allow tender notices for all general services issued by all bureaux and departments.

The Admission and Management Rules of Approved Contractors for Public Works was updated in 2016 to build up the capability of the industry by shortening the time required to attain a confirmed status and taking part through a joint venture arrangement.

### **Dispute Resolution**

Two amendment bills to the Arbitration Ordinance were passed in 2017 to include the latest developments in the arbitration sector. The Arbitration (Amendment) Ordinance 2017, which came into operation on 1 January 2018, clarified that disputes over intellectual property rights (IPRs) could be resolved by arbitration and IP awards could be enforced. The Arbitration and Mediation Legislation (Third Party Funding) (Amendment) Ordinance 2017 clarified that third-party funding for arbitration and mediation is not prohibited by the common law doctrines of maintenance and champerty, and also provided safeguards regarding such practices.

The Joint Dispute Resolution Strategy Office was set up in September 2016 to enhance the overall co-ordination of mediation and arbitration work of the Department of Justice. Hong Kong, China hopes to promote their international legal and dispute resolution service so that enterprises in China and in the jurisdictions along the Belt and Road will make use of Hong Kong, China's professional services in their business development.

### **Mobility of Business People**

Hong Kong, China continues to facilitate the mobility of business people through the use of technology. The automated immigration clearance, e-Channel, service was extended to eligible Macao non-permanent residents in December 2016. Reciprocal use of automated immigration clearance services was extended to Australia in 2016.

Self-service departure for visitors to Hong Kong, China (Smart Departure) was launched at the Hong Kong International Airport in October 2017 and extended to other control points in December 2017. Smart Departure employs face recognition technology for identity verification which facilitates self-service departure for eligible visitors without prior enrolment.

### **RTA/FTAs**

Hong Kong, China has five FTAs in force<sup>9</sup> and has signed FTAs with ASEAN and Georgia respectively. Hong Kong, China is currently negotiating FTAs respectively with Maldives and Australia.

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<sup>9</sup> Hong Kong, China's five RTA/FTAs in force are respectively with China; New Zealand; European Free Trade Association (EFTA); Chile; and Macao, China.

## Indonesia

### Indonesia's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Import duties were abolished for some products, but export duties were still maintained for a limited number of products.
- Reforms are facilitating the issuance of import licenses for some products. Export and import licensing systems remain for several products. Quantitative import and export restrictions are still in place for a number of products.
- More open services policies are allowing the employment of foreign construction workers. Nevertheless, new policies are restricting the hiring of foreigners in other services sectors.
- The 2016 Negative Investment List aims to increase foreign direct investments and competitiveness through liberalisation of sectors and streamlining investment processes. However, foreign ownership restrictions remain for several business areas.
- Passed a new Patent Law to address shortcomings of the older law and a new Trademark Law to protect a wider range of trademarks.
- A checklist was developed to review the suitability of legislations to fair competition policy principles.
- A procurement dispute settlement service was established to facilitate faster and efficient settlement of disputes by providing arbitration services or legal advice.
- 16 Economic Policy Packages have been issued since September 2015 ranging from providing tax incentives to streamlining processes.
- A Presidential Decree issued in 2016 granted visa-free entry into Indonesia to passport holders from 169 economies with a maximum stay of 30 days.

#### Summary of Topics

##### Tariffs

Indonesia implemented the Harmonised System 2017, covering 10,826 tariff lines. Import duties on sports goods were abolished in 2017 to support the development of sports. In addition, the import duty exemption limit was raised from USD 50 to USD 100 on Free On Board (FOB) items to encourage e-commerce.

Export duties were introduced on some processed products, with a rate of 10% on nickel and washed bauxite. Excise tax on import of tobacco products was also amended to a higher rate. Beginning 1 January 2017, the excise tax on cigarettes was increased by an average of 10.5%.

##### Non-Tariff Measures

Indonesia introduced several measures like introducing a new licensing provision for steel and iron products that eliminates the need for specific product licenses, facilitating easier

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\* This brief report was with information from Indonesia's submission of the 2018 APEC Individual Action Plan (IAP) template; UNCTAD Investment Policy Hub; OECD Global Forum on Competition– Contribution by Indonesia; Indonesia National Single Window; Ministry of Finance; Ministry of Trade; Ministry of Agriculture; Ministry of Energy and Mineral Resources; Bank Indonesia; Ministry of Public Works and Housing; Investment Coordinating Board; National Council for Special Economic Zone; Financial Services Authority; Ministry of Justice and Human Rights; Ministry of Foreign Affairs; National Procurement Policy Institute; Coordinating Board of Investment and Integrated Services; and Ministry of Marine Affairs and Fisheries websites.



application for about a 100 licensing applications through an online portal, and enabling the import of beef. New restrictions were introduced on imports of tablets, phones and handheld computers. Exports of industrial forestry products have new licensing requirements. As a member of the International Tripartite Rubber Council, Indonesia, along with Malaysia and Thailand have set an export quota of 350,000 tonnes of natural rubber between January and March 2018 in an attempt to curb world supply in response to falling world prices.

Import restrictions imposed by Indonesia on agricultural and meat products continue to remain an issue, as noticed by recent rulings at the WTO Dispute Settlement Body concerning imports of chicken meat and chicken products and import controls on horticultural and animal products.

Indonesia put forth a regulation that enables the government to set reference prices for seven food commodities, including rice, sugar and chilies, and is allowed to interfere when market prices for those products fluctuate away from the aforementioned reference prices.

### Services

Indonesia developed a new law on construction services replacing the old 1999 version. The new construction services law highlights that the selection of service providers for state fund projects is conducted by tender or selection, e-procurement, direct appointment, and direct procurement. It also allows the employment of foreign construction workers and provides a simplified break down of categories of construction services among other revisions.

Regulations to further limit money laundering and terrorism funding were introduced in 2017 and were applicable to non-bank financial service providers. Financial service providers are now required to conduct risk assessments related to money transfers based on the economy of origin and destination. Working with shell banks without physical offices in the established economy has been banned.

Foreign ownership restrictions were implemented on electronic payment services introducing a cap of 20 per cent. The 2016 regulation on IT-based lending services aimed to support the growth of local peer-to-peer lending platforms but limited foreign entry, ownership and customers. In addition, regulations restricting the hiring of foreigners in insurance companies and the banking sector were introduced by limiting their scope of work.

### Investment

The 2016 Negative Investment List was released to increase foreign direct investments and competitiveness through further liberalisation of certain sectors, like logistics, film and health services, and streamlining investment processes. The list includes 20 business fields that are closed for foreign investors, such as air navigation services, land transportation terminals, production of spirits and wines and testing of motor vehicles, among others. In addition, 145 business fields are reserved for MSMEs or in association with MSMEs, including the production of certain crops, fish and jewellery, as well the provision of specific construction, tourism and communication services. 350 business fields in agriculture, industry and services are also facing maximum foreign ownership caps and/or special licensing requirements. However, foreign ownership caps have been increased for 64 business fields, with some of them even allowing 100% of foreign ownership.

A rapid licensing service called “Priority Licensing Service” has been implemented to boost investment in almost every sector subject to certain conditions, that is, minimum investment of 100 billion rupiah or minimum employment of 1000 domestic workers. Similarly, a regulation

to simplify licensing within the minerals and coal mining sector through shorter bureaucratic processes and fewer requirements was enforced in 2017. In working towards improving their ease of business, the Indonesian Government enforced the Acceleration of Business Services to smoothen conduct of businesses and the Guideline and Procedure of Investment License and Facilitation to simplify investment licensing and facilities procedures, and enable online single submissions.

The Government also issued new regulations, namely, the Regulation on Provision of Corporate Income Tax Facility and Details of Business Field and the Type of Pioneer Industry Production to be Granted the Income Tax Reduction Facility, related to investment incentives, both fiscal and non-fiscal, to facilitate investments, including taxation and customs-related procedures for business actors, especially those operating within Special Economic Zones (SEZs). Twelve SEZs providing tax incentives have been established by the Government.

Indonesia has terminated 25 of its Bilateral Investment Treaties (BITs), leaving only 23 in force. Currently, Indonesia is involved in BIT negotiations with Singapore and Switzerland and is also finalising negotiations with United Arab Emirates.

### **Standards and Conformance**

858 new active standards have been developed since 2016, of which 7 are mandatory. The National Standardization Agency of Indonesia continued its efforts to adopt and conform to international standards. For instance, a regulation was passed in 2017 requiring air conditioners to meet certain Indonesian National Standards (SNI) and have a Saving Energy Certificate from the National Accreditation Body or a body under the Asia Pacific Laboratory Accreditation (APLAC)/International Laboratory Accreditation (ILAC) MRA.

New specific trade concerns (STCs) raised at WTO SPS and TBT Committees in recent years include adoption and supervision of SNIs for toys, food safety measures, and halal product assurance law.

### **Customs Procedures**

The Indonesian National Single Window (INSW) has begun exchanging preferential certificate of origins for the ASEAN Free Trade Area through the ASEAN Single Window (ASW) portal as of January 2018. The Ministry of Finance recently passed a regulation improving the facilities and provisions for exporting or importing goods by passengers and air crew.

A new regulation for carrying banknotes across Indonesian customs was issued to monitor and control banknote traffic so that monetary policy can be more effective.

### **Intellectual Property Rights**

Indonesia passed a new Patent Law in July 2016 addressing the shortcomings of the older law, introducing new protective provisions for traditional knowledge and local generic resources. The new law, while including computer programmes as an invention, describes a specific set of criteria of a computer programme that must be adhered to.

A new Trademark Law aiming to protect a wider range of trademarks and to make registering by trademark owners more efficient was enacted in 2016. Further provisions in line with the Madrid Protocol concerning the international registration of marks were also implemented recently.



### **Competition Policy**

Indonesia recently developed a checklist to provide guidance on the use of competition policy by checking suitability of the different legislations to the fair competition policy principles established in the 1999 law.

### **Government Procurement**

A procurement dispute settlement service was established in 2016 to facilitate faster and efficient settlement of disputes by providing arbitration services or legal advice. The Indonesian government issued a regulation providing guidelines on the use of the electronic catalogue and e-purchasing system for the procurement of government goods and services.

### **Deregulation/ Regulatory Review**

The Indonesian government has issued 16 Economic Policy Packages since September 2015 ranging from providing tax incentives to streamlining processes and incentivising investments in specific areas (e.g. e-commerce). The most recent package aims to increase transparency and streamline investment procedures with the use of a single submission system.

### **Mobility of Business People**

A regulation was issued in 2016 providing a five year validity on APEC Business Travel Cards (ABTC). A Presidential Decree issued in 2016 granted visa-free entry into Indonesia to passport holders from 169 economies with a maximum stay of 30 days.

### **RTA/FTAs**

Indonesia has reported 8 RTA/FTAs in force<sup>10</sup>. Also, Indonesia has signed trade agreements with Chile, and as member of ASEAN, with Hong Kong, China.

Currently, Indonesia is involved in numerous negotiations with the European Union, European Free Trade Association, Australia, Iran, Turkey and Korea, among others. Negotiations on the Regional Comprehensive Economic Partnership are ongoing as well.

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<sup>10</sup> Indonesia's RTA/FTAs in force are the following ones: ASEAN (1992); ASEAN-China (2005); ASEAN-Korea (2007); Indonesia-Japan (2008); ASEAN-Japan (2009); ASEAN-Australia-New Zealand (2010); ASEAN-India (2010); and Indonesia-Pakistan (2013).

## Japan

### Japan's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Low average MFN tariff. Import tariffs were eliminated for several products. While agricultural products have seen a decrease in tariffs in recent years, tariffs for agricultural products on average continue to be higher than those for non-agricultural products.
- Import prohibitions and licensing requirements apply for some products for security, health and environmental reasons. No export taxes and levies are in place.
- Relaxation of rules in some services sectors such as banking and insurance. However, restrictions on participation of foreigners in board of directors and in voting shares remain in TV broadcasting.
- New initiatives in force to attract and facilitate foreign investments.
- No specific trade concerns against Japan have been raised in recent years at the WTO SPS and TBT Committees.
- Authorized Economic Operators (AEOs) are now allowed to lodge declarations in any customs office.
- Changes in intellectual property laws. Implementation of the Patent Law Treaty and the Singapore Treaty on the Law of Trademarks.
- The Patent Prosecution Highway pilot program and the Patent Prosecution Highway Plus are in place with a number of economies to fast track patent applications.
- Introduced a multiple bidding system for government procurement.
- Electricity and Gas retail markets were liberalized. Crossover between both markets are possible.
- Implemented the Trusted Traveller Program to facilitate entry to low risk visitors. Eased short term visa requirements for passport holders of certain economies.

#### Summary of Topics

##### Tariffs

In 2016, the simple average MFN Tariffs fell to 4.0%. While agricultural products have seen a decrease in tariffs from 14.3% in 2014 to 13.1% in 2016; the average MFN tariff for agricultural products is still higher (13.1%) than that for non-agricultural products (2.5%).

Japan eliminated import tariffs in 2016 on dimethyl terephthalate (DMT) and bioethanol used for manufacturing ethyl-tertiary-butyl ether. In 2017, import tariffs were eliminated on *p*-nitro chlorobenzene (PNCB), *m*-aramid in primary forms, synthetic filament tow of *m*-aramid, certain toys and sanitary articles. Likewise, Japan implemented tariff elimination for seven products as part of WTO Information Technology Agreement (ITA) expansion.

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\* The brief report was prepared with information from Japan's Submission of 2018 APEC Individual Action Plan (IAP) template; WTO Tariff Profile 2017; WTO Trade Monitoring Database; The 2017 WTO Trade Policy Review – Report by the Secretariat - Japan; WTO ITIP Goods; WTO Quantitative Restrictions Database; Ministry of Foreign Affairs; UNESCO; Financial Services Agency; Invest Japan; Ministry of Economy, Trade and Industry; Japan Industrial Standards Committee; International Organization for Standardization; International Electrotechnical Commission; Japan Customs; World Intellectual Property Organization; Japan Patent Office; Japan Fair Trade Commission; and Agency for Natural Resources and Energy websites.

### Non-Tariff Measures

Import prohibitions and licensing requirements are required in certain cases for security, public health, environmental reasons and international commitments. Import quotas apply for some fishing products and controlled substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer. No export taxes, charges, or levies are in place in Japan, but some export controls remain for security, conservation, and humanitarian reasons, as well as for compliance with international obligations.

Regarding trade remedies, requirements for associations to submit requests for anti-dumping and countervailing duties were relaxed in May 2016.

### Services

On February 2018, Japan implemented the Asia Pacific Regional Cooperation on the Approval of Higher Education Qualification which allowed for mutual recognition of qualifications among the parties involved.

There have been some relaxation in the rules concerning the relationship between foreign and domestic banks, as the amendments to the Banking Act no longer require capital ties between a Japanese and foreign bank when the former works as an agent or intermediary of the latter outside Japan. Regarding insurance services, amendments were also made to the Cabinet Office Ordinance in 2016 to ease restrictions imposed on providing insurance services to infertility treatments.

Some restrictions to the participation of foreigners in the board of TV broadcasting firms remain, as well as in the voting share by foreigners.

### Investment

Between 2016 and 2018, Bilateral Investment Treaties (BITs) were signed with Iran, Kenya, Israel, Armenia, and the United Arab Emirates (UAE). In addition, Japan and Russia on September 2017 signed a tax treaty that reduced taxes paid on investment income, prevents tax evasion and avoids double taxation.

Regarding investment facilitation measures, as part of the Asia Region Funds Passport (ARFP), Japan put in force its Memorandum of Cooperation (MoC) with Australia, Korea, New Zealand and Thailand in June 2016. This implementation allows for increased ease of cross border offering of eligible collective investment schemes. Also, Japan introduced the “Investment Advisor Assignment System”, in which State Ministers act as advisors to designated foreign companies that have made important investments in Japan.

At the latest meeting of the WTO Trade Policy Review on Japan in March 2017, recent initiatives to attract FDI were noted, but some concerns had been expressed about market access issues, such as the stringent regulatory framework which made it difficult for foreign and local pharmaceutical companies to form joint ventures.

### Standards and Conformance

By December 2016, Japan had implemented 10,587 Japanese Industrial Standards (JIS) of which 5,821 corresponded with International Standards. At the international level, Japan has been an active participant in both the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC). At the domestic level, in 2016, Japan implemented amendments to the Textile Goods Quality Labeling regulation on textile care

labeling for domestic washing and professional dry cleaning and wet cleaning in accordance with JIS, conformed to ISO standards.

While 18 specific trade concerns against Japan have been reported at the WTO SPS Committee with no reported resolution, there has been no new specific trade concern raised against Japan in recent years in both the WTO SPS and TBT Committees.

### **Customs Procedures**

Amendments to the Customs Law effective from 2017 allowed Authorized Economic Operators (AEOs) to lodge import and export declarations in any customs office. Japan and Hong Kong, China in 2016 signed and implemented a Mutual Recognition Arrangement of AEOs.

Among other improvements in customs-related issues, the Customs Brokerage Law was amended in 2016 eliminating territorial restrictions imposed on customs broker. Furthermore, the Nippon Automated Cargo and Port Consolidated System (NACCS) was upgraded in 2017 to allow stakeholders to submit trade-related documents electronically.

Japan put in force the WTO Trade Facilitation Agreement in February 2017.

### **Intellectual Property Rights**

The amendments to the Trademark Act, Patent Act, Design Act and Act on International Applications under the Patent Cooperation Treaty of Japan came into force in April 2016. The amendments included changes to revise the fees for patents, trademarks and international application searches and to include provisions based on the Patent Law Treaty and the Singapore Treaty on the Law of Trademarks.

A Patent Prosecution Highway (PPH) pilot program with Viet Nam was established in 2016 and subsequently with New Zealand, Chile and Peru in 2017. An extended PPH programme “Patent Prosecution Highway Plus” was introduced to promote fast tracking of applications through sharing of patent examination results with Brunei in 2017.

In 2017, the scheme of the United States-Japan Collaborative Search Pilot Program was renewed. This scheme allows for both the Japan Patent Office (JPO) and the United States Patent and Trademark Office (USPTO) to enhance collaboration on examinations of patent applications.

From January 2016, the JPO provided professional English translations of trial/appeal decisions, decisions on oppositions, and advisory opinions on the scope of industrial property rights. The intention is to raise international awareness and raise the quality of information provided on industrial property rights applicable in Japan.

### **Competition Policy**

Amendments were made to the “Guidelines Concerning Distribution Systems and Business Practices under the Antimonopoly Act” in 2017 to make them easier for businesses to understand and use.

Between 2016 and 2017, Memorandums of Understandings (MoUs) were signed with competition authorities in China, Kenya and Singapore as well as cooperation arrangements with Mongolia and Canada.

### **Government Procurement**

Japan's amendment to the "Cabinet Order Stipulating the Special Procedures for Government Procurement by a Local Entity" introduced a multiple bidding system allowing firms to share a bid if one company cannot supply the full amount of the order.

### **Deregulation/Regulatory Review**

Liberalization of the electricity and gas retail markets was carried out in 2016 and 2017 respectively. Crossover between electricity and gas markets are now possible.

### **Mobility of Business People**

With the implementation of the Trusted Traveler Program (TTP) in November 2016, certain foreigners who have frequently visited Japan in the past and been registered as low risk travellers are allowed to use the automated gates during immigration.

Between 2016 and 2017, Japan relaxed short term visa requirements for passport holders from China; Russia and Viet Nam, as well as from other economies outside the APEC region. Visa waivers to United Arab Emirates passport holders was introduced in July 2017. In addition, the required residential period for the application of permanent residence by highly skilled foreign individuals has been shortened from 5 years to 3 years.

Japan extended the validity of the APEC Business Travel Card (ABTC) to 5 years.

### **RTA/FTAs**

Japan has 15 RTA/FTAs or Economic Partnership Agreements in-force<sup>11</sup>. In June 2016, Japan implemented its economic partnership agreement with Mongolia. In July 2018, Japan signed the Japan-EU EPA. Japan also ratified the Comprehensive and Progressive Agreement for Trans-Pacific Partnership in July 2018 and is currently awaiting domestic ratifications from signatory parties. Japan is currently part of negotiations for the Regional Comprehensive Economic Partnership.

### **Other Issues: Initiatives at WTO**

Japan is one of the WTO members leading the exploratory work toward future WTO negotiations on electronic commerce since March 2018. This work includes discussions among like-minded members related to international rule making on e-commerce/digital trade to deepen their understanding and exchange views through periodical meetings. In addition, Japan is one of the co-authors of a 2017 proposal regarding NTMs for WTO ITA with the intention of reducing the burden of conformity assessment procedures by facilitating acceptance of test reports based on international standards.

Japan continues its commitment to WTO negotiations on Environmental Goods Agreement (EGA) and it is engaging in initiatives such as holding EGA symposium in Beijing in August 2017, addressing private sector representatives, academia and government officials, in order to rebuild momentum and give an impetus towards the early resumption of the EGA negotiations.

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<sup>11</sup> Japan's RTA/FTAs in force are the following ones: Japan-Singapore (2002); Japan-Mexico (2005); Japan-Malaysia (2006); Japan-Chile (2007); Japan-Thailand (2007); Japan-Indonesia (2008); Japan-Brunei (2008); Japan-ASEAN (2008); Japan-Philippines (2008); Japan-Switzerland (2009); Japan-Viet Nam (2009); Japan-India (2011); Japan-Peru (2012); Japan-Australia (2015); and Japan-Mongolia (2016)

## Korea

### Korea's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Despite the reduction of some import tariffs, average MFN Tariffs are still high, in particular for agricultural products.
- Export and import restrictions still apply for some products, but they are reported to be in compliance with international agreements.
- Initiatives in place to expand services activities, but some restrictions still remain for foreigners to work in certain services sectors.
- Investment facilitation measures in place to simplify FDI registration procedures.
- Some foreign investment restrictions have been removed. However, prohibitions or restrictions to foreign investment still remain in some areas.
- High adoption rates for international standards.
- Introduction of the Express Cargo Logistics Centre to streamline customs procedures and reduce customs clearance costs.
- Improvement of intellectual property laws and regulations.
- Government procurement thresholds reduced to allow more participation of foreign bids.
- Amendments to the Arbitration Act are simplifying the process to recognize and enforce arbitral awards. Easier to get assistance from courts to gather evidence.
- Expansion of APEC Business Travel Card eligibility for Koreans.
- New point system for foreign skilled workers.
- Expansion of RTA/FTA network. New agreements have been signed and enforced.

#### Summary of Topics

##### Tariffs

Based on the Harmonized System (HS) nomenclature at the 6-digit level, Korea's average MFN Tariffs in 2016 was at 13.9%. However, simple average MFN tariffs for agricultural products (56.9%) were much higher than those for non-agricultural products (6.8%).

Temporary tariff reduction has been carried out for several products such as eggs, whey and cobalt oxides. Nevertheless in 2016, tariffs increased for 11 tariff sub-headings such as parts of non-electrical engines and motors and parts of electrical transformers and inductors among others.

##### Non-Tariff Measures

Korea reported no changes in the application of non-tariff measures. 92 export/import prohibitions and restrictions are in force, but they have been notified at WTO and reported to be in compliance with international agreements and implemented for legitimate reasons such

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\* The brief report was prepared with information from Korea's Submission of 2018 APEC Individual Action Plan (IAP) template; WTO's Tariff Download Facility; WTO's Trade Monitoring Database; The 2017 WTO Trade Policy Review – Report by the Secretariat - Korea; Korea's Ministry of Government Legislation; WTO I-TIP Database; UNCTAD – Investment Policy Hub; Korea Trade-Investment Promotion Agency; Invest Korea; International Organization for Standardization; International Electrotechnical Commission; Korea Customs Service; World Customs Organization; Korea Free Trade Commission; Korea Public Procurement Service; OECD; Korea Commercial Arbitration Board; Korea Immigration Service and Korea International Trade Association websites.



as the protection of morals; human, animal or plant life or health; environmental conservation; or essential security interests.

Anti-dumping duties were eliminated for imports of polyester filament draw textured yarn and choline chloride. However, anti-dumping measures were implemented on products such as coniferous wood plywood and butyl glycol ether in 2016 and 2017.

### Services

In 2016, Korea launched its Service Economy Development Plan, which highlighted several strategies to expand the service industry, such as promoting the development of the seven most promising service industries (Medical Treatment, Tourism, Digital Content Industry, Education, Finance, Software and Logistics) and supporting overseas expansion.

In January 2016, Korea launched the “Korea Credit Information Services” to consolidate credit information provided by financial companies. The consolidation aids the financial services industry in detecting fraud and provides useful data analytics.

Korea became a member of the APEC Cross-Border Privacy Rules System in 2017 to further strengthen data protection and boost electronic commerce transactions.

Restrictions still remain for foreigners to work in certain services sectors. For example, regarding maritime transport services, some positions within Korean-flagged vessels are reserved for Koreans. Similarly, there are restrictions on the number of foreigners allowed to work in some types of vessels.

### Investment

In terms of investment facilitation, amendments to the Foreign Investment Promotion Act in 2016 further simplified FDI registration procedures. Furthermore, to make it easier to foreign firms to make decisions, Korea launched an English translated version of the Special Taxation Restriction Act and the Enforcement Decree of the Special Taxation Restriction Act on August 2017.

Some efforts to liberalize investments have taken place. For instance, foreign investment restrictions on littoral fishing and air transport support businesses were removed in 2016 and 2017, respectively. In addition, amendments to the Private Investment Law on Infrastructure in 2018 allowed for private investment to be included for police stations and department buildings. However, prohibitions or restrictions on foreign ownership still remain in specific sectors (e.g. broadcasting, rice production, beef cattle growing, electricity and air transport, among others)

### Standards and Conformance

Korea has reported a high adoption rate of international standards. 88.8% of the standards issued comply with international standards. In recent years, some technical regulations have been amended. For instance, amendments to the National Health Promotion Act were implemented in December 2016 to strengthen warning messages printed on all cigarette packaging. Also, revisions made to the Food Sanitation Act and the Functional Health Goods Act extend the Genetically Modified food labelling requirement to any food product with detectable biotech proteins.



The integration of the “Electric Appliances Safety Control Act” and the “Quality Control and Safety Management of Industrials Product Act” into the “Electrical Appliances and Consumer Products Safety Control Act” is intensifying safety standards by enhancing penalties for persons who do not obtain a revised certificate and repealing voluntary safety certification of products not subject to safety certification.

As of December 2017, Korea has actively participated in 731 International Organization for Standardization (ISO) technical committees or sub-committees (TC/SCs) and 173 International Electrotechnical Commission (IEC) TC/SCs.

### **Customs Procedures**

Korea introduced the “Express Cargo Logistics Centre” in 2016. The centre reduced clearance commission fees and implemented an automated system to speed up the customs process. With these changes and enhanced focus on personnel, facilities and resources for express cargo, the number of seizures in hazardous items increased. In April 2016, Korea also started to implement a smart electronic clearance system (4<sup>th</sup> generation UNI-PASS) based on user-friendly mobile services, intelligent integrated risk management and other technologies. Furthermore, Korea signed an Authorized Economic Operator MRA with Thailand in 2016 and Australia; Malaysia and Peru in 2017 and has been focusing on the promotion of trade facilitation and trade security.

In December 2016, Korea implemented the Korea-China Electronic Origin Certification system. The system verifies electronic certificates of origins and allows for export and import customs clearance to be tracked in real-time. Korea’s Custom Service (KCS) also introduced a new system streamlining customs by allowing imports from the same overseas supplier to skip customs inspection.

### **Intellectual Property Rights**

Several IP-related laws have been revised. The Trademark Act was amended and entered into force in September 2016. Some key changes included simplifying procedures for un-used trademarks to be challenged, accepting electronic trademarks and the removal of the one year period for the registration of a trademark similar to those previously eliminated.

Amendments to the Patent Act have simplified patent cancellation, streamlined patent rights transfers and shortened the period to request for patent examination. In addition, amendments to the Design Protection Act implemented in 2017 extended the novelty grace period at the time of application from 6 months to 12 months and increased the penalty for falsification. Lastly, the revisions to the Copyright Amendment Act allowed for the creation of a Copyright Protection Agency and streamlined the collection of royalties for the music industry.

### **Competition Policy**

In 2016, the Korea Free Trade Commission (KFTC) identified 64 cartel cases and 283 unfair trade practice cases. The KFTC investigated on the abuse of Standard Essential Patents (SEP) and imposed fines up to KRW 1.03 trillion on companies abusing these SEP. Moreover, KFTC investigated 26 mergers and acquisitions cases, blocking one of them and imposing remedies on two others.

The Monopoly Regulation and Fair Trade Act was amended in 2016 to require large corporations to disclose details on their corporate ownerships structures. In addition, amendments were made to the Unfair Competition Prevention and Trade Secrets Protection

Act in order to change the maintenance requirement of trade secrets from considerable efforts to reasonable efforts.

### **Government Procurement**

Thresholds for the participation of international bidders in public procurement were reduced after Korea implemented the revised WTO Government Procurement Agreement in January 2016.

In March 2017, Korea's Public Procurement Service in partnership with Korea's Information Science Promotion Agency launched the electronic portal for public procurement projects. The use of finger print recognition was also introduced for bidding in the Smart Land Market, a procurement service on March 2017.

### **Deregulation/Regulatory Review**

Korea in July 2016 fully implemented the Cost-in, Cost-out (CICO) mechanism which limits the costs of newly introduced or reinforced regulations by eliminating or relaxing regulations with an equal or higher compliance cost.

### **Implementation of WTO Obligations**

Korea implemented WTO's Information Technology Agreement by reducing a total of 965 import tariffs lines in two phases specifically in July 2016 and December 2017. It is expected that all remaining tariffs will be phased out by 2023.

### **Dispute Mediation**

Amendments have been enacted to Korea's Arbitration Law in 2016 for arbitral tribunals to get assistance from courts in more direct ways to gather evidence, for instance, by ordering witnesses to appear or submit documents to the tribunal. In addition, the process to recognize and enforce arbitral awards has been simplified.

### **Mobility of Business People**

Korea is expanding the use of automatic immigration gates (SES). In December 2016, a Memorandum of Understanding with Macau, China was signed on the mutual use of automated gates (SES-APC). From September 2016, the online pre-enrolment procedure was removed with regards to the mutual use of auto-gates between Korea and Hong Kong, China, which had been implemented in 2013.

The eligibility for APEC Business Travel Card (ABTC) was expanded to overseas Koreans working for a parent company of a foreign investment firm since September 2016. In addition, the requirements to issue an International Trade Visa have been diversified by the implementation of the Points System, supporting those with trade expertise or experience.

### **RTA/FTAs**

Korea has 15 RTA/FTAs in-force<sup>12</sup>. In July 2016, Korea's agreement with Colombia was enforced. On 21 February 2018, Korea signed its FTA with Central America and it is currently awaiting domestic ratification before being put in-force. Korea is currently participating in negotiations on the Regional Comprehensive Economic Partnership.

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<sup>12</sup> Korea's RTA/FTAs in force are the following ones: Korea-Chile (2004); Korea-Singapore (2006); Korea-EFTA (2006); Korea-ASEAN (2007); Korea-India (2010); Korea-EU (2011); Korea-Peru (2011); Korea-US (2012); Korea-Turkey (2013); Korea-Australia (2012); Korea-Canada (2015); Korea-China (2015); Korea-New Zealand (2015); Korea-Viet Nam (2015); and Korea-Colombia (2016)

## Malaysia

### Malaysia's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Tariff reduction policies continue. Tariffs on IT products are falling as part of the implementation of the WTO Information Technology Agreement 2.
- Tariff-rate quotas for a number of products remain.
- Many import and export licenses have been abolished. Nevertheless, licensing requirements are still applicable in certain cases.
- Introduced the National eCommerce Strategic Roadmap (NeSR) to boost the e-commerce sector, which is supported by the launch of the Digital Free Trade Zone (DFTZ).
- The Malaysian Sustainable Palm Oil Certification Scheme was introduced in 2016 and is to be implemented on a mandatory basis from December 2019.
- Many companies are obtaining Authorized Economic Operator (AEO) status.
- Market review studies on the pharmaceutical sector and building materials were released with recommendations to improve competition conditions in those markets.
- Regarding government procurement, the new advanced version of the ePerolehan system was launched in 2017, introducing features like full automation of the procurement process, and reinforcement of user authentication.
- The use of the new ePerolehan system by federal ministries and line agencies has been made mandatory.
- Introduced the Reducing Unnecessary Regulatory Burdens (RURB) and the Cutting Red Tape (CURE) programmes to remove unnecessary bureaucracy.
- The salary requirements for foreigners to obtain employment passes have been increased.

#### Summary of Topics

##### Tariffs

Customs duties on 115 tariff lines have been reduced or eliminated since 2016. As part of its commitments regarding the WTO Information Technology Agreement 2, Malaysia reported abolishing tariffs on approximately 88 per cent of IT product tariff lines and aims to eliminate the rest by July 2023.

Tariff-rate quotas are in place for 27 tariff lines at the Harmonized System 10-digit level. Products such as live swine and poultry, poultry and pork meat, liquid milk and cream, and round cabbage are affected by this type of measure.

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\* This brief report was prepared with information from Malaysia's submission of 2018 APEC Individual Action Plan (IAP) template; UNCTAD Investment Policy Hub; the 2017 WTO Trade Policy Review– Reports by Malaysia and by the Secretariat; Royal Malaysian Customs Department; Ministry of International Trade and Industry; Malaysian Palm Oil Board; Construction Industry Development Board; Attorney-General's Chambers; Ministry of Health; Ministry of Plantation Industries and Commodities; Malaysia External Trade Development Corporation; Malaysia Petroleum Resources Corporation; Malaysian Investment Development Authority; Intellectual Property Corporation of Malaysia; Forest Research Institute of Malaysia; Department of Standards Malaysia; Malaysia Competition Commission; Ministry of Finance; Social Security Organisation; Malaysia Productivity Corporation; Immigration Department of Malaysia; Ministry of Home Affairs; and Enforcement Agency Integrity Commission websites.

### Non-Tariff Measures

Malaysia has abolished the import license requirements for motorhomes since September 2016 and 181 tariff lines of steel and iron products since August 2017. Export license requirements for 19 tariff lines were abolished in April 2017. The requirement of an electronic import license for nicotine and phosphorus was introduced in June 2016.

Export taxes on crude palm oil were reintroduced in 2016 and were suspended for a three months period (8 January to 7 April 2018). Malaysia imposed safeguards on some steel products in late 2016 for a period of 200 days.

As a member of the International Tripartite Rubber Council, Malaysia has agreed to collectively set an export quota of 350,000 tonnes on natural rubber for the first three months of 2018. Malaysia introduced a ban on rubber wood export in response to shortages affecting local furniture producers.

### Services

Malaysia introduced the National eCommerce Strategic Roadmap (NeSR) to boost the e-commerce sector by realigning existing economic incentives, accelerating adoption of e-commerce among sellers, and promoting national brand to improve cross-border e-commerce among others. As a result, e-commerce's share of total GDP increased from 5.9% to 6.1% between 2015 and 2016. The Digital Free Trade Zone (DFTZ), comprising of the eFulfilment Hub, Satellite Services Hub and an eServices Platform to capitalise on the growing internet economy and cross-border e-commerce transactions, was launched to support the NeSR. 2,651 SMEs have boarded the DFTZ Pilot Project since its launch in late 2017. Also, 14,000 SMEs have registered on the 'Go eCommerce' platform that provides online training to guide SMEs.

In the telecommunications sector, the general limitation of foreign equity participation is capped at 49% (exceptions apply for cases involving firms from FTA partners). The Minister, however, may decide to award above or below the said limitation. In air transport services, 100% foreign investment is permitted in aircraft maintenance and computer reservation system services, and up to 49% for ground handling services. With regard to maritime transport services, there are no foreign participation restrictions for some activities like rental of cargo vessels without crew for international shipping, maritime agency services and vessel salvage and refloating services.

### Investment

Malaysia has liberalised its manufacturing sector, allowing foreign investors to hold 100% equity. The Eleventh Malaysia Plan (2016-2020) focuses on promoting niche and complex products in the manufacturing sector as well as megatrends to target products with technological advancement and new applications. Among the initiatives is to draft the National Framework on Industry 4.0 together with relevant agencies and outreach programmes to accelerate industrial growth through the adoption of smart technology and promote the exchange of technical know-how through industry collaboration. Furthermore, the government has announced incentives for the adoption of Industry 4.0 in manufacturing and related sectors in Budget 2018.

Malaysia has 68 international investment treaties in force as of March 2018. Some restrictions to foreign investment are still in place in strategic sectors.

### **Standards and Conformance**

Malaysia has developed 5338 standards of which 61 per cent are aligned with international standards as of January 2018. A total of 794 conformity assessment bodies (688 active laboratories, 92 certification bodies, 13 inspection bodies and 1 proficiency testing providers) have been accredited by the end of 2017. The Malaysian Sustainable Palm Oil Certification Scheme was introduced in 2016 and is due to be implemented on a mandatory basis from December 2019.

The latest specific trade concern raised against Malaysia at the WTO SPS Committee without a reported solution was raised in 2015 regarding delays in approving poultry export plants located overseas and the lack of definition of applicable international sanitary certification. At the WTO TBT Committee, the latest specific trade concern was raised in 2012, involving protocols for halal meat and poultry production.

### **Customs Procedures**

65 companies have been granted Authorized Economic Operator (AEO) status and 487 companies have been recognized as certified exporters under the self-certification scheme by December 2017. Malaysia successfully implemented the electronic preferential certificate of origin for the ASEAN Trade in Goods Agreement through the ASEAN Single Window platform in early 2018.

### **Intellectual Property Rights**

Malaysia started a pilot Patent Prosecution Highway programme with the Japan Patent Office in 2014 and with the European Patent Office in 2017 to accelerate the patent application process.

In cooperation with the World Intellectual Property Organization (WIPO), the Malaysian Intellectual Property Corporation plans to implement an IP Enabling Environment Programme to build capacity for a more conducive environment for the creation of intellectual property. In addition, an integrated IP management system for patents and trademarks is currently being developed.

### **Competition Policy**

The Malaysia Competition Commission (MyCC) has recently published two market review studies: on the pharmaceutical sector and on building materials in the construction industry, providing policy recommendations on how to improve competition conditions in those markets. The MyCC is currently developing Guidelines on Intellectual Property Rights and Competition Law.

In terms of investigations and enforcement, 321 complaints were resolved, 41 self-initiated assessments were completed and 10 ministerial directions on suspected competition law infringement were investigated by the Commission between 2012 and 2017.

### **Government Procurement**

The new advanced version of the ePerolehan system was launched in 2017, introducing features like full automation of the procurement process, and reinforcement of user authentication among others. The use of the ePerolehan system is mandatory for the federal ministries and line agencies. Additionally, Green Government Procurement (GGP) was made mandatory at the federal level in 2017 to spur demand and supply for green industries. All line agencies are required to include green criteria in the specifications for selected items in procurement.

Malaysia still uses preferences in government procurement processes to benefit locally owned businesses. Generally, international tenders are invited only when local providers of goods and services are not available.

### **Deregulation/Regulatory Reform**

The Malaysian government has been introducing various online portals and applications to make processes like getting electricity, paying taxes and making land title searches easier. In addition to the Reducing Unnecessary Regulatory Burdens (RURB) programme, the government initiated the Cutting Red Tape (CURE) programme in two states and is aiming to remove unnecessary bureaucracy.

The ‘Handbook on Risk based Analysis on Enforcement and Inspection’ was published in 2017 to assist regulators in developing a coherent framework for the application of risk management in regulatory inspection and enforcement.

### **Mobility of Business People**

Malaysia is currently developing an Advance Passenger Screening System (APSS) to improve security and facilitate clearance at the airports. The BorderPass service to expedite airport clearance for intra-ASEAN travel has been approved for implementation by the Economic Council in 2018.

In 2017, the employment passes for expatriates were reclassified to indicate a higher minimum salary as one of the requirements to obtain those passes.

### **Transparency**

The National Policy on the Development and Implementation of Regulations aimed at modernizing the regulatory regime will now also include states and local governments. The development of a unified public consultation portal is underway is expected to be completed by 2018.

### **RTA/FTAs**

Malaysia has reported 13 RTA/FTAs in force<sup>13</sup> and expects the ASEAN-Hong Kong, China Free Trade Agreement and ASEAN-Hong Kong, China Investment Agreement to enter into force in 2019. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was signed in March 2018. Malaysia is currently participating in four other RTA\FTA negotiations.

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<sup>13</sup> Malaysia’s RTA/FTAs in force are the following ones: ASEAN (1992); ASEAN-China (2005); Malaysia-Japan (2006); ASEAN-Korea (2007); Malaysia-Pakistan (2008); ASEAN-Japan (2008); ASEAN-Australia-New Zealand (2010); ASEAN-India (2010); Malaysia-New Zealand (2010); Malaysia-Chile (2012); Malaysia-India (2011); Malaysia-Australia (2013); and Malaysia-Turkey (2015).



## Mexico

### Mexico's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- In recent years, tariffs were reduced for a number of goods. However, tariff increases have affected iron and steel products.
- Average MFN tariffs are higher for agricultural products. Seasonal tariffs applied to some agricultural products.
- Export/Import prohibitions and restrictions are applied to some products.
- Benefits for consumers after opening of telecommunications sector in terms of lower charges and better quality.
- Reforms to attract foreign investments. Restrictions against foreign investors have been reduced in certain sectors.
- Upgrades to the Trade Single Window to improve its reliability and efficiency.
- Changes in trademark registration procedures are incorporating an opposition system for any person/firm to oppose to a trademark registration for valid reasons previous to its registration.
- Amendments to Federal Copyright Laws to improve the protection of intellectual property rights.
- Preferences given to domestic bidders in international tenders conducted at the federal and state levels.
- Mexico continues its efforts to promote regulatory improvements. Changes in Constitution are in place to support regulatory improvements.
- Mexico is negotiating the expansion/improvements of several of its RTA/FTAs.

#### Summary of Topics

##### Tariffs

In the last two years, Mexico has been reduced MFN tariff rates for several products such as machinery, plant and laboratory equipment, mucilages and thickeners, water heaters, machinery for purifying liquids, machinery for crushing earth and stones, microwaves, surveying equipment, and racquets, among others. The simple average MFN tariff reported by Mexico went down to 5.65% in 2016. Nevertheless, average tariffs are still much higher for agricultural products (14.22% in 2016).

Seasonal tariffs are applied to agricultural products such as sorghum, soya beans and safflower seeds, which enter duty-free during certain times of the year, but are charged with a tariff duty of 10% (for sorghum and soya bans) and 15% (for safflower seeds) outside those times.

In October 2015, a temporary import tariff increase on iron and steel products was implemented for 180 days. However, this measure has been subsequently extended until now.

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\* This brief report was prepared with information from Mexico's submission of 2018 APEC Individual Action Plan (IAP) template; the 2017 WTO Trade Policy Review – Report by the Secretariat – Mexico; the WTO SPS and TBT Information Systems; Secretaría de Comunicaciones y Transportes; Secretaría de Economía; Servicio de Administración Tributaria; Comisión Federal de Competencia Económica; Comisión Federal de Mejora Regulatoria; Instituto Mexicano para la Competitividad; and Diario Oficial de la Federación websites.



### Non-Tariff Measures

Import prohibitions and restrictions are applied to some products. They could be adopted to fight balance of payments imbalances, to control the entry of used goods, to comply with international commitments and to protect the population from security, health and environmental risks. Automatic import licensing is applicable to the imports of iron products, slot machines, textiles and footwear. Chemical products, textiles, live animals and vegetable products are the products more affected by non-automatic import licenses.

Export duties are applicable for two products: bitumen and asphalt and bituminous mixtures. Export prohibitions and restrictions apply to protect morals, security, public order, public health, environment and assets of historical value. Most of the non-automatic export licensing schemes are related to chemical products.

### Services

Following the reforms in the telecommunications sector in 2013 promoting competition, consumers have continued to benefit through lower prices and better service quality. Local phone charges fell by 24.3% between the third quarter of 2013 and the second quarter of 2016. During the same period, charges for international long-distance calls and mobile phone calls fell by 40.3% and 36.5%, respectively. In addition, an international public tender was awarded in November 2016 to deploy a wholesale mobile telecommunication network, with the objective of reducing costs for mobile operators and raise the quality of services.

In the financial sector, improvements in the payments systems are facilitating electronic transactions in Mexican pesos and US dollars. Transactions in US dollars can only take place through the electronic payment system authorized by the Mexican Central Bank.

### Investment

After the reforms in the hydrocarbon and energy sectors in 2014, Mexico has been able to attract 67 companies from 18 different economies to invest in those sectors. Before the reforms, the only company present in these sectors was owned by the Mexican Government.

Reforms to allow further participation of foreign investors have taken place recently. For example, in June 2017, the limit for foreign investors to participate in the domestic air transportation, air taxi and specialized air transportation sectors went up from 25% to 49%. Despite these improvements, foreign investment caps are still prevalent in a number of businesses, such as airports, supply of airplanes fuel, port operators, shipping companies and broadcasting, among others.

Some measures have been implemented to facilitate investments. A website of legal procedures for foreign investment has been published to carry out legal procedures stated in the Foreign Investment Law and reduce response times, among others. Moreover, a manual of procedures to invest in Mexico was released in March 2017.

### Standards and Conformance

On 7 November 2016, the Federal Institute of Telecommunications announced that wired terminal equipment connected to any public telecommunications network has to meet certain technical specifications and follow specific testing methods.

One specific trade concern against Mexico was reported at the WTO TBT Committee in 2016 concerning the definition of certain alcoholic beverages, ethyl alcohol and the existing

maximum alcohol strength for spirits. No specific trade concerns have been raised in recent years at the WTO SPS Committee, but four cases reported earlier in this committee against Mexico have not been resolved yet.

### **Customs Procedures**

Upgrades to the Trade Single Window (VUCEM) started in 2016 and have involved the use of new data processing technologies to improve its reliability and efficiency. These improvements are facilitating the issuance of licenses to import footwear, textiles and steel products. Also, automatic notices can be submitted to customs agents during and after the release of goods. Air and rail cargo manifests can be transmitted through the VUCEM and it is expected that the VUCEM implements a similar function for maritime manifests in 2018.

To facilitate Mexicans residing overseas to return home, a specialized website Compatriot Portal (Portal Paisano) was developed, in which common customs procedures can be performed prior to their return to Mexico (for example, money declaration, goods declaration and temporary importation of vehicles).

### **Intellectual Property Rights**

In 2016, the Mexican Institute of Intellectual Property (IMPI) started publishing trademark applications and registrations. Policy changes on trademark registration also were implemented to allow an opposition system in which a person could oppose of a trademark to be registered prior to its registration.

Amendments to the Federal Copyrights Law took place in 2016. The changes allow the use of protected works without paying royalties in specific cases, increase the number of practices that are considered an infringement to copyrights, and include clauses to protect copyrights in televised works.

### **Competition Policy**

The Federal Commission on Economic Competition (COFECE) seeks to prevent and fight anticompetitive practices affecting markets. In 2016, COFEMER analyzed 138 possible mergers and authorized 132 of them; investigated 10 alleged monopolistic practices and collusion cases; sanctioned in 5 cases regarding anticompetitive practices; and issued opinion on 8 draft laws/regulations to ensure competition.

In May 2016, COFECE released a manual with recommendations to promote competition practices in government procurement. The recommendations are aiming to increase participation of firms as much as possible in public procurement, create enough competitive pressure among bidders and avoid collusion.

### **Government Procurement**

There are three types of public tender: 1) domestic tenders, where only Mexicans can participate; 2) international tenders open to bidders from RTA/FTA partners; and 3) open international tenders. The current law gives 15% of margin of preference to domestic bidders for federal tenders. For state tenders, the margin of preference fluctuates between 2% to 15% depending on the state. Other preferences are also given to firms with gender equality practices, firms that employs people with disabilities representing at least 5% of staff, and MSMEs meeting specific production requirements.

### Implementation of WTO Obligations

On 26 July 2016, Mexico submitted the instrument of acceptance to the WTO regarding the Trade Facilitation Agreement.

### Deregulation/Regulatory Review

On 5 February 2017, reforms in the Mexican Constitution were published in the Official Gazette, including articles concerning regulatory improvements. This constitutional reform paved the way for the Federal Commission on Regulatory Improvement to draft a General Law on Regulatory Improvement. The proposal was submitted to the Congress on 11 December 2017 and was approved by the Lower House on 6 March 2018.

In 2017, the “Presidential Agreement 2x1” was implemented, in which incorporates the need to repeal or abolish two regulatory acts or obligations for each new administrative act expected to be issued.

### RTA/FTAs

By the end of 2017, Mexico had 12 RTA/FTAs in place with 46 economies all over the world and 9 partial scope agreements within the framework of the Latin American Integration Association (ALADI)<sup>14</sup>. Mexico is currently negotiating improvements to five trade agreements, including those with NAFTA, European Union, EFTA, Argentina and Brazil. In addition, Mexico is negotiating as part of the Pacific Alliance with associated Pacific Alliance states.

Mexico signed the Comprehensive and Progressive Trans-Pacific Partnership Agreement on 8 March 2018.

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<sup>14</sup> Mexico’s RTA/FTAs and Partial Scope Agreements in force are the following ones: Mexico-Paraguay (1983); Mexico-Ecuador (1987); NAFTA (1994); Mexico-Colombia (1995); Mexico-Costa Rica (1995); Mexico-Bolivia (1995); Mexico-Nicaragua (1998); Mexico-Chile (1999); Mexico-EU (2000); Mexico-Israel (2000); Mexico-EFTA (2001); Mexico-Northern Triangle (2001); Mexico-Argentina (2001); Mexico-Cuba (2002); Mexico-Brazil (2003); Mexico-Uruguay (2004); Mexico-Japan (2005); Mexico-Peru (2012); Mexico-Central America (2012); Mexico-Panama (2014); and Pacific Alliance (2016).

## New Zealand

### New Zealand's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Average MFN duties are low and no import restrictions or prohibitions on commercial grounds.
- Public interest test has been introduced to evaluate whether proposed anti-dumping and countervailing duties are in the public interest or not.
- Measures to increase foreign participation and competition in the banking industry.
- The Goods and Service Tax (GST) has been extended to offshore providers of “remote” services and intangibles purchased in New Zealand.
- Foreign investment policies are open in comparison to international standards. Amendments proposed to consider residential land as sensitive land in order to screen potential investments in residential land.
- No specific trade concerns against New Zealand have been raised at WTO SPS and TBT Committees in recent years.
- Mutual Recognition Arrangements have been entered into with Australia and China with regards to supply chain security programs.
- Several intellectual property-related regulations have been amended recently.
- A revised set of Impact Analysis Requirements has been implemented, which includes clearer criteria for exemptions from the requirement to conduct a Regulatory Impact Assessment.

#### Summary of Topics

##### Tariffs

On average, applied MFN duties at the 6 digit level are low at 2.0% in 2016 while agricultural products and non-agricultural products had average duties of 1.4% and 2.2% respectively. Tariffs continue to be reduced under trade agreements in effect. It was also announced that the next government review of tariff levels will take place in 2019.

##### Non-Tariff Measures

New Zealand generally does not apply import restrictions or prohibitions on commercial grounds or to protect the domestic industry, and technical regulations and sanitary and phytosanitary measures are in line with WTO provisions.

New Zealand has extended the suspension of anti-dumping duties for residential building materials until 30 June 2019. The government is introducing a public interest test to evaluate during the decision-making process whether proposed anti-dumping and countervailing duties are in the public interest or not.

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\* This brief report was prepared with information from New Zealand's submission of 2018 APEC Individual Action Plan (IAP) template; Customs Service; Parliamentary Council Office; Ministry of Business, Innovation & Employment; WTO SPS and TBT Information Systems; WTO World Tariff Profiles 2017; New Zealand Gazette; The Reserve Bank of New Zealand; Land Information New Zealand; Asia-Pacific Legal Metrology Forum; New Zealand Intellectual Property Office; Commerce Commission New Zealand; New Zealand Government Procurement Office; New Zealand Treasury; New Zealand Inland Revenue; and Ministry of Foreign Affairs and Trade websites.

## Services

Within the banking sector, the introduction of the Dual Registration Policy for small foreign banks increases foreign participation and competition in New Zealand's banking system. It provides clarification on the requirements for branching and the restrictions imposed on them. Also, a revised version of outsourcing policy for banks was released in October 2017 by the Reserve Bank of New Zealand. The revision provides greater guidance to banks on outsourcing services and offshoring of functions.

As of 1 October 2016, New Zealand extended its application of GST to cover offshore providers of "remote" services and intangibles purchased by New Zealand residents. The definition of "remote" services includes digital products (e.g. e-books and music) and non-digital services (e.g. insurance, consulting, accounting and legal services).

## Investment

The Australian-New Zealand Infrastructure Pipeline portal was created in 2016 to provide more information on the investment opportunities available in both economies.

Foreign investment conditions in New Zealand are very open in comparison to international standards. New Zealand has been ranked as the top economy to do business in by the World Bank's Doing Business initiative. Proposed foreign investments are only screened in certain cases: 1) sensitive land (e.g. nearby waterways); 2) business assets for more than NZD 100 million; and 3) fishing quotas.

Amendments have been proposed to the Overseas Investment Act in 2017. The current bill in Parliament proposes to consider residential land as sensitive land, and enhance information-gathering and enforcement powers of the Overseas Investment Office.

## Standards and Conformance

New Zealand has been very active at the international level. On February 2017, New Zealand and Australia signed a bilateral agreement that focused on collaborating on many aspects. Also, New Zealand, as President of the Asia-Pacific Legal Metrology Forum (APLMF), has promoted the reduction of technical barriers and the harmonization in the area of legal metrology.

Regarding food products, new import health standards have been established in recent years for onions from China, rambutan from Viet Nam and salacca from Indonesia. In addition, the Food Safety Law Reform Bill was passed in February 2018, which strengthens responses to food safety issues, creates a better approach for enforcement of non-compliance and streamlines business compliance to benefit food exporters.

There have been no specific trade concerns against New Zealand raised in recent years at the WTO SPS and TBT Committees.

## Customs Procedures

On July 2016, New Zealand and Australia signed a Mutual Recognition Arrangement on the supply chain security programs enforced in both economies. It is expected to further fast track custom procedures between them. New Zealand also negotiated a Mutual Recognition Arrangement with the General Administration of China Customs, which was implemented on 1 July 2017.

Furthermore, the border clearance levy was implemented in 2016, which increases the cost of movement of people in and out of New Zealand. The revenue from the levy is expected to meet the costs generated by border clearance activities.

### **Intellectual Property Rights**

As of 5 March 2018, amendments have been made to the following acts: Patent Regulations 2014, Trade Marks Regulations 2003, Trade Marks (International Registration) Regulations 2012 and Design Regulations 1954. A key change includes allowing applicants accessing IP services in Australia and New Zealand to provide an address for service in either Australia or New Zealand.

In 2017, IPONZ online case management system was improved to allow the regeneration of registration of grant certificates such as the grant of patents, registration of trade marks, protection of international trade marks designating New Zealand, registration of design and grant of patent variety right.

### **Competition Policy**

In the dairy sector, the New Zealand government has amended its Dairy Industry Restructuring Act 2001 so as to continue with the provisions to manage the dominant market position of the leading dairy producer.

### **Government Procurement**

New Zealand has an open and competitive government procurement framework in which international firms have same access to procurement opportunities as domestic firms do. The implementation of the Contract and Commercial Law Act 2017 which consolidated 13 laws was carried out on 1 September 2017. This consolidation eased government procurement by increasing accessibility as well as ensuring uniformity across the different regulations.

The Procurement Capability Index has been implemented widely across New Zealand's government agencies in order to provide a measure of an agency's procurement capabilities and serve as a benchmark for improvement.

### **Deregulation/Regulatory Review**

As part of New Zealand's efforts in updating its regulatory system, it released a document called "Government's Expectations for Good Regulatory Practices" in April 2017, which identified the features that a good regulatory practice should have. In addition, it identifies the actions that regulatory agencies should take to discharge their regulatory stewardship obligations.

A revised Impact Analysis Requirement was put in practice in 2017 to assist agencies in the evaluation of policy proposals before decisions are made. It includes clearer criteria for exemptions from the requirement to conduct a Regulatory Impact Assessment.

### **Dispute Mediation**

New Zealand concluded a dispute with Indonesia on trade restrictions imposed on agricultural products in 2017.

### **Mobility of Business People**

The introduction of electronic gates in four New Zealand airports is streamlining passport control procedures and it is gradually being expanded to include passport holders from more economies. In November 2017, this system became available to Chinese visitors.

## Transparency

In its efforts to improve the availability of data to the public, New Zealand adopted the International Open Data Charter in March 2018, which is a set of principles and best practices for governments to release open data.

## RTA/FTAs

New Zealand has 10 FTAs/RTAs in force<sup>15</sup>. On 14 June 2017, New Zealand signed the Pacific Agreement on Closer Economic Relations (PACER) Plus. In addition, the Comprehensive and Progressive Agreement for Trans-Pacific Partnerships (CPTPP) was signed by 11 economies on 8 March 2018. New Zealand is currently participating in negotiations for the Regional Comprehensive Economic Partnership.

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<sup>15</sup> New Zealand's RTA/FTAs in force are the following ones: New Zealand-Australia (1983); New Zealand-Singapore (2001); New Zealand-Thailand (2005); P4 (2006); New Zealand-China (2008); ASEAN-Australia-New Zealand (2010); New Zealand-Malaysia (2010); New Zealand-Hong Kong, China (2011); New Zealand-Chinese Taipei (2013); and New Zealand-Korea (2015)



## Papua New Guinea

### Papua New Guinea's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Increased import duties on many agricultural and manufactured goods under the new Customs Tariff Bill. Import duties introduced on diesel and petrol.
- Export tariffs are applicable to some timber logs.
- Export restrictions and bans are implemented on items damaging to health, safety, and the environment. Import bans have been imposed on rice and a National Rice Policy has been proposed to enhance the domestic industry.
- SME Policy has been launched to encourage the adoption of appropriate technology and strengthen links between support institutions and SMEs.
- Foreign ownership restrictions still apply in specific sectors.
- No capital requirements for foreign investments, but it is necessary to apply for an Investment Promotion Authority certificate.
- No restrictions for foreigners to participate in industry-standards setting consortia.
- New Container Examination Facility has been launched by Customs at Port Moresby to improve the speed of checking containers.
- A revamped website for easier access to information on the processes of registering for intellectual property rights has been launched.
- Major review of the competition policy framework has been completed and recommendations have been submitted to the National Executive Council for consideration.
- Plans to establish a National Procurement Commission to ensure transparency and impartiality to public procurement processes.

#### Summary of Topics

##### Tariffs

Under the Melanesian Spearhead Group Trade Agreements (MSGTA), Papua New Guinea eliminated tariffs on all its product lines with the exception of some health harming products like carbonated drinks, tobacco and alcohol. The latest revision of the MSGTA took place in 2015, but it has not been signed by Papua New Guinea yet.

The Customs Tariff Bill 2017 noted an increase in import duties, effective from 1 January 2018, in the range of 2.5 to 10 percentage points on many goods including meats, oils, cocoa products, biscuits, shopping bags (biodegradable and non-biodegradable bags), soaps, shampoo, detergent, and reservoirs or tanks, among others. This bill also introduced tariff increases and reductions to selected garments. Import duties of 0.1 Kina per litre were introduced on diesel and petrol as well.

Some products are subject to export tariffs, such as timber logs.

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\* This brief report was prepared with information from Papua New Guinea's submission of 2018 APEC Individual Action Plan (IAP) template; World Trade Organization; UNCTAD Investment Policy Hub; IFRS Foundation; Department of Treasury, PNG Customs, National Parliament of Papua New Guinea, Investment Promotion Authority, Department of Land and Infrastructure, Prime Minister of Papua New Guinea, Department of Lands & Physical Planning, Immigration and Citizenship Service Authority, and Department of Trade, Commerce and Industry websites.

### Non-Tariff Measures

Export permits are required for items that are damaging to health, safety, and the environment. These items include narcotics, firearms/weapons, gold, medicines and cultural heritage items. Export bans are imposed on certain products, such as geological materials and crocodiles to conserve native forestry, animals and natural resources. Timber of certain species such as ebony, rosewood and teak, among others cannot be exported, too.

Import bans are applied to rice, living fish, parrots, and gaming machines amongst others, due to reasons related to health, environment, security, public interest and protection of local industries. The proposed National Rice Policy 2015-2030 has suggested introducing a National Rice Import Quota System to enhance the domestic rice industry.

### Services

An SME Policy was launched in March 2016 to promote and support the development of the SME sector. The Policy aims to encourage the adoption of appropriate technology and strengthen the links between support institutions and SMEs. A specific initiative within this Policy introduces a legislation to develop the local franchise industry and ensure that all franchises are reserved for citizens with the exception of the Master Franchise.

Regarding air transport services, ownership of airlines is subject to a maximum of 49% foreign equity. An initiative under the SME Policy notes the government's aim to develop the tourism industry by encouraging more foreign airlines to enter Papua New Guinea to reduce costs.

### Investment

In order to invest in Papua New Guinea, all foreign investors need to apply for a formal Investment Promotion Authority certificate. The purpose of this process is to evaluate whether the potential investment is going to meet public interest. There is no capital requirement, but a fee needs to be deposited before the certificate is issued. Some sectors are restricted to Papua New Guinea citizens.

A Personal Property Security Registry was launched on the Investment Promotion Authority website to enable ease in searching and registering notices of security interests in movable property. This initiative facilitates secure transactions and access to the credit market.

Papua New Guinea has reported plans to establish a one-stop-shop to address behind-the-border issues for business regulatory convergence. The SME Policy also announced a plan to create a foreign investment review board. Creation of special economic zones in all provinces is to be carried out. Development of the Sepik Special Economic Zone is already underway.

Papua New Guinea has 9 international investment treaties in force as of April 2018.

### Standards & Conformance

Papua New Guinea reported the development of 39 standards in biological and food, chemistry and electrical fields between 2014 and 2016. There are no restrictions for foreigners to participate in industry-standards setting consortia.

The Accounting Standards Board of Papua New Guinea adopted the International Financial Reporting Standards for SMEs Standard effective 1 January 2018. The National Institute of Standards and Industrial Technology (NISIT), the new regulator for radiation safety in PNG,

is in the process of adopting the necessary International Atomic Energy Agency (IAEA) radiation safety standards as national standards.

### **Customs Procedures**

A new Container Examination Facility has been launched by Customs at Motukea, Port Moresby in January 2017 to improve the speed of checking containers. The construction of a similar facility in Lae, Morobe Province is expected to commence in 2018.

Papua New Guinea Customs is currently working towards migrating to ASYCUDAWorld, a newer version of the computerized customs management system, and expects a full rollout to be completed by the end of 2018.

Papua New Guinea ratified the WTO Trade Facilitation Agreement on 7 March 2018.

### **Intellectual Property Rights**

The Intellectual Property Office of Papua New Guinea launched a revamped website for easier access to information on the processes of registering for intellectual property rights and a list of recognised intellectual property agents. In addition, the website provides a link to the Global Brand Database hosted by the World Intellectual Property Organisation, enabling users to conduct searches on trademarks registered locally and in other economies.

### **Competition Policy**

Papua New Guinea has completed the first major review of its competition policy framework and a comprehensive report with recommendations has been submitted to the Department of Treasury in 2017. The report will be further submitted to the National Executive Council before the recommendations can be implemented. The recommendations include creation of a national competition policy, increase in the standard maximum penalty to 20 million Kina and increase in the limitation period on civil actions for damages to 6 years amongst others.

The Independent Consumer and Competition Commission (ICCC) is reportedly in the process of making amendments to the ICCC Act 2002 to make mandatory notification of mergers or acquisitions.

### **Government Procurement**

The Department of Treasury developed a Medium Term Fiscal Strategy 2017-2021, which among other things aims to establish a National Procurement Commission to ensure transparency, impartiality and management of budget appropriations in the procurement processes. The government also aims to enact the National Procurement Authority Bill and eliminate tied financing to improve competitiveness in the procurement bidding processes.

### **Mobility of Business People**

The Immigration and Citizenship Service Authority released a notice implementing measures to improve passport and visa assessment and processing mechanisms. Some of the changes effective as of 1 March 2017 include acceptance of passport applications supported only by new genuinely issued PNG birth certificates and application exclusively thorough recognised and locally registered visa agents.

All foreigners must have an entry permit/visa to enter Papua New Guinea. However, visa on arrival is available in Port Moresby's Jackson International Airport for passport holders from 71 economies, including 17 APEC economies.

### RTA/FTAs

Papua New Guinea currently has two RTA/FTAs in force, a Trade and Commercial Relations Agreement and an interim Economic Partnership Agreement<sup>16</sup>. Furthermore, Papua New Guinea signed a Memorandum of Understanding with China in 2016 to conduct a joint feasibility study on a possible Papua New Guinea-China FTA. The study is reportedly still underway.

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<sup>16</sup> Papua New Guinea's RTA/FTAs in force are the following ones: Melanesian Spear Head Group Trade Agreement (1995); and Pacific Island Countries Trade Agreement (2003). PNG has a bilateral agreement with Australia – the *Papua New Guinea-Australia Trade and Commercial Relations Agreement*, which has been notified at WTO. It also has an interim Economic Partnership Agreement with the EU and Fiji.

## Peru

### Peru's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Low average MFN tariffs for both agricultural and non-agricultural products.
- No quantitative import restrictions, import licensing and export subsidies. Some prohibitions and restrictions apply for very specific products.
- Drawback rate to reimburse import tariffs paid by exporters of specific products was temporarily increased until end of 2018.
- Reforms to promote greater competition in the financial sector.
- Net neutrality is currently in place.
- No investment screening mechanisms. Some restrictions on foreign investments remain on certain sectors and ownership of natural resources in border areas.
- Amendment to legal framework to facilitate investment through public-private partnerships.
- Improvements in customs procedures such as advance clearance and use of Authorized Economic Operators.
- Implementation of a Leniency Program to fight against cartels.
- Reforms in public procurement aiming to simplify rules and procedures, achieve greater value for money, avoid conflict of interests and deter bribery.
- New regulation in place to implement the application of regulatory quality analysis in all normative provisions establishing administrative procedures.
- New Law on Immigration to facilitate mobility of natural persons.
- Expansion of Peru's RTA/FTA network in recent years.

#### Summary of Topics

##### Tariffs

Peru's tariff structure has only three tariff rates. 70.4% of the product lines are free from import tariffs; 20.8% of the product lines are subject to a 6% import tariff rate and the remaining 8.8% of product lines are subject to an 11% tariff rate.

In early 2018, the MFN simple average tariff was equivalent to 2.2% (measured at the HS 10-digit level). MFN average tariffs are low for both agricultural and non-agricultural products, reaching 2.9% and 2.1% respectively.

##### Non-Tariff Measures

No import licensing, quantitative import restrictions and exports subsidies are applied. However, some restrictions apply to the import of used road motor vehicles for cargo and passenger transportation, used engines, components and spare parts for road vehicles, used tires, used clothing and footwear for commercial purposes and used goods, machinery and equipment using radioactive sources.

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\* This brief report was prepared with information from Peru's submission of 2018 APEC Individual Action Plan (IAP) template; the WTO TBT Information System; and information from the Ministry of Economy and Finance, Organismo Supervisor de las Telecomunicaciones, Organismo Supervisor de las Contrataciones del Estado; and Instituto Nacional para la Defensa de la Libre Competencia y Protección de la Propiedad Intelectual and Diario Oficial El Peruano websites.

The drawback rate to retribute import tariffs paid for inputs to exports of specific products went up temporarily from 3% to 4% in October 2016. From 1 January 2019, the drawback rate will go back to 3% again.

### Services

In the financial sector, the Legislative Decree No. 1321 is seeking to promote greater competition in the Peruvian financial system by allowing the main owner of a local or foreign bank to own stakes in another bank, as long as they are considered by the Central Bank as banks with adequate levels of solvency.

In the telecommunications sector, the regulation on net neutrality was enacted in December 2016 to provide predictability to consumers. In this sense, firms cannot manage internet traffic in an arbitrary manner, or filter and block any application without any valid reason as established by law, or create differentiated tiers of service. Regarding infrastructure, the National Optical Fiber Network was inaugurated in June 2016. The network expands through 180 cities and 13,000 km of optical fiber have been installed so far.

### Investment

Peru does not apply any screening mechanism or performance requirements for foreign investments. Certain limitations on foreign investments in broadcasting, air and water transport remain. Restrictions also apply to foreigners on the ownership of natural resources within 50 kilometers of Peru's international borders. However, the limitation in border areas can be waived by decree on a case by case basis.

Amendments to the legal framework regarding investment promotion through public private partnerships (PPP) were issued in November 2016. The amendments allow ProInversión, Peru's investment promotion agency to support local governments through technical assistance in the planning, design and contractual execution of the PPP projects.

### Standards and Conformance

The National Institute of Quality (INACAL) provides calibration services for equipment and measuring instruments. About 7,500 calibrations are conducted every year. Recently, INACAL developed 55 new calibration services. In addition, INACAL launched the first itinerant metrology laboratory in Peru, which can be moved to different places within Peru.

Two specific trade concerns have been raised against Peru at the WTO TBT Committee in the last two years. They involved a moratorium on planting genetically engineered crops and an act to promote healthy eating among children and adolescents that might be including elements restricting trade. These two concerns were initially raised in 2013, but have been subsequently raised several times in this committee.

### Customs Procedures

The National Superintendency of Tax Administration and the Ministry of Foreign Trade and Tourism are working to achieve the interoperability between the Trade Single Window and the Customs Clearance System.

In terms of trade facilitation, new procedures for the use of high security customs seals started on 2 January 2018. Improvements have been implemented regarding advance clearance, deferred clearance, direct shipment and customs brokers. In this regard, Authorized Economic Operators can run their activities from any customs office within Peru.

A public-private forum, the National Committee on Trade Facilitation, was created in 2017 to discuss cross-cutting issues concerning trade facilitation and cargo logistics.

### **Intellectual Property Rights**

In 2017, 638 patents and 266 industrial designs were granted, an increase of 32% and 59% respectively, in comparison with the previous year.

Also, registration by local inventors went up by 39%. Since July 2017, the Electronic Gazette of Industrial Property has been publishing patents and industrial design applications in a faster way.

During 2017, there was an increasing number of online applications of registry of works. This is mostly explained by the platform on copyrights, which provides counselling and advice in copyright-related topics for people involved in creative industries.

### **Competition Policy**

After amendments introduced to the Competition Act, in order to strengthen the fight against cartels, guidelines regarding a Leniency Program were issued in August 2017. The purpose of these guidelines is to maximize the incentives for firms/individuals involved in cartels to apply for benefits. The guidelines establish terms, rules, conditions and restrictions for the Leniency Program to be effective.

### **Government Procurement**

Changes to the Peruvian public procurement legal framework took place in 2017. These amendments seek to simplify rules and procedures, achieve greater value for money, avoid conflict of interests and deter bribery. Additional prohibitions regarding the participation in government procurement processes were specified.

In addition, the amendments are looking to strengthening the transparency, integrity, efficiency and accountability of public procurement. For example, mechanisms to increase the transparency include the National Registry of Arbitrators; the accreditation of arbitral institutions; the obligation to send information about arbitral procedures to the responsible domestic authority in charge of overseeing government procurement; the publication of arbitral decisions; and the creation of an electronic arbitral record.

### **Deregulation/Regulatory Review**

Since 2017, Peru has new regulation in place to implement the application of regulatory quality analysis in all normative provisions that establish administrative procedures. The analysis takes into account principles such as cost-benefit, need, effectiveness and proportionality,

### **Implementation of WTO Obligations**

In July 2016, Peru ratified the WTO Trade Facilitation Agreement. Similarly, the Amendment of the TRIPS Agreement regarding public health was ratified in September 2016.

### **Mobility of Business People**

The new Law on Immigration was issued in January 2017 with the purpose of improving the mobility of natural persons. New migratory categories have been created: research (i.e. for researchers and specialists in technology and innovation), training (i.e. for trainee students, internships) and investors.



**RTA/FTAs**

Peru has reported 19 RTA/FTAs in force<sup>17</sup>. In 2018, Peru signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and a free trade agreement with Australia.

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<sup>17</sup> Peru's RTA/FTAs in force are the following ones: Andean Community (1988); Peru-Cuba (2001); Peru-MERCUSUR (2006); Peru-United States (2009); Peru-Chile (2009); Peru-Singapore (2009); Peru-China (2009); Peru-Canada (2009); Peru-Mexico (2012); Peru-Thailand (2011); Peru-EFTA (2011); Peru-Korea (2011); Peru-Panama (2012); Peru-Japan (2012); Peru-EU (2013); Peru-Costa Rica (2013); Peru-Venezuela (2013); Pacific Alliance (2016); and Peru-Honduras (2017).

## The Philippines

### The Philippines' Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Tariff rate quotas are still applied to some agricultural products. A wide range of goods continue to be subject to import licenses and permits.
- Export prohibitions and restrictions apply to some products due to safety, public health, food security and international commitments.
- Efforts to improve infrastructure to facilitate provision of services.
- Foreign ownership restriction was lifted for lending, financing and insurance adjustment companies. However, foreign investors are still subject to restrictions or prohibitions in many sectors.
- Implemented initiatives to promote investments in targeted areas like manufacturing and agriculture, and dispersing opportunities among MSMEs through tax breaks and duty-free importation of capital equipment.
- No specific trade concerns against the Philippines have been raised at WTO SPS and TBT Committees in recent years.
- Customs Modernization and Tariff Act took effect on 16 June 2016 to modernize customs laws, rules and procedures and improve efficiency in service delivery through automation, risk-based classification and higher penalties.
- Revisions to government procurement regulations to streamline procedures and encourage participation of non-governmental organizations.
- Foreign bidders face restrictions in the process of public procurement of goods and consulting services.

#### Summary of Topics

##### Tariffs

The implementation of the Harmonized System (HS) 2017 increased the tariff lines from 9,551 in 2012 to 10,796 in 2017. This resulted in the average MFN tariff increasing from 6.36% to 7.19% between 2016 and 2017. Based on its commitments under the ASEAN Trade in Goods Agreement (ATIGA), the Philippines now offers duty-free access to almost 100% of the tariff lines originating in ASEAN. Currently, the Philippines also offers a high percentage of duty free tariff lines in the ASEAN-Australia-New Zealand FTA (94.37%), ASEAN-Korea FTA (86.79%) and ASEAN-China FTA (83.41%).

The Philippines is currently implementing its commitments under the expansion of the WTO Information Technology Agreement (ITA 2).

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\* This brief report was prepared with information from the Philippines submission of 2018 APEC Individual Action Plan (IAP) template; UNCTAD Investment Policy Hub; the 2018 WTO Trade Policy Review - Report by the Secretariat – Philippines; National Government Portal; Senate of the Philippines; Department of Information and Communications Technology; The Philippines Board of Investments; The Official Gazette; Department of Agriculture, Bureau of Customs; Intellectual Property Office of the Philippines; The National Economic and Development Authority; Government Procurement Policy Board, Mines and Geosciences Bureau; Department of Labour and Employment and Philippine Judiciary websites.

### Non-Tariff Measures

The Philippines imposes tariff quotas on 172 tariff lines in the ASEAN Harmonized Trade Nomenclature 2017, which account for 1.6% of all lines (including sensitive agriculture products under E.O. 313, s. 1996 and E.O. 328, s. 1996). Some of the products subjected to tariff quotas are poultry, coffee, rice, and sugar. A wide range of goods are still subject to import licenses and permits. These include fishery and animal products, fertilizers, and wood products among others.

Export prohibitions and restrictions apply to some products due to commitments in international conventions and domestic interests such as safety, public health and food security. For example, certain wildlife species, raw rattan, logs from naturally grown trees and matured coconuts cannot be exported. Corn, rice, sugar, fish, coffee, bamboo and copper concentrates, among others, are subject to export restrictions.

### Services

Efforts to improve infrastructure seek to facilitate the provision of services. In that regard, the Philippines launched a National Government Portal for all public services in June 2017. Integrating the websites into a single portal reduces costs for the government and enables simplified browsing for the users. As of December 2017, there are 120 online services in this portal. The National Broadband Plan was issued in June 2017 to allow for fair competition, investment, innovation, and efficient management of resources, and promote open access network. A successive National Tourism Development Plan 2016-2022 was developed to improve travel facilitation, transport infrastructure and quality standards.

Restrictions on foreign ownership have been eased in some service sectors. In July 2016, the foreign ownership ceiling was lifted for adjustment companies, investment houses, and lending and financing companies. However, some foreign ownership restrictions still remain. For instance, in the telecommunications and restaurant sectors, it is still capped at 40% and 60% respectively.

### Investment

The Philippines implemented the new Investment Priorities Plan 2017-2019 with the aim of encouraging more investments in manufacturing and MSME-oriented activities through inclusive business models in agriculture and tourism, innovation driven activities, health and environmental protection activities, and dispersion of opportunities in the countryside. Duty-free importation of capital equipment and tax exemptions are provided to projects with new investments.

The Foreign Investment Negative List (FINL) is under review. The intention is to ease restrictions on foreign participation in certain investment areas, which include, retail trade enterprises, domestic market enterprises, and construction of public works. The current FINL includes 11 sectors where no foreign investments are allowed and 22 sectors with foreign investment caps, 15 of them as mandated by the Constitution and the remaining sectors due to issues concerning security, defense, health risk, morals and protection of SMEs.

In May 2018, the Philippines passed a new law, the Ease of Doing Business and Efficient Government Service Delivery Act, to further improve and speed up the delivery of government services particularly for investors. The law prescribes maximum processing times for simple business transactions to 3 working days, complex transactions to 7 working days, and highly technical applications to 20 working days in all government agencies.

The Philippines has 41 international investment treaties in force as of March 2018.

### **Standards and Conformance**

As of August 2017, a total of 10,092 Philippine National Standards have been developed, of which 79.91% are aligned with international standards. 653 standards were developed or adopted between November 2015 and August 2017 and 80.55% of them are aligned to international standards. As of November 2017, the Philippine Accreditation Bureau had implemented 10 accreditation schemes.

In November 2016, a special order was released requiring SPS import permits for agricultural products to be signed by the Secretary or the Chief of Staff in an attempt to combat the use of recycled import permits or technical smuggling.

In recent years, no specific trade concerns have been raised against the Philippines in the WTO SPS and TBT Committees. However, no resolution has been reported regarding one specific trade concern against the Philippines in 2011 at the WTO SPS Committee relating to restrictions on imported fresh meat.

### **Customs Procedures**

The Customs Modernization and Tariff Act was enacted on May 2016 to modernize customs rules and improve efficiency in service delivery through activities like mandating automation of almost all customs transactions and pre-shipment inspections of bulk and break bulk cargo, organizing shipments by their risk level to better plan their clearance times, and introducing higher penalties for corruption and misclassification.

The Bureau of Customs developed customer assistance and response services called BOC CARES to allow stakeholders to monitor the status of shipments.

### **Intellectual Property Rights**

The Intellectual Property Office of the Philippines launched electronic filing systems for trademarks in April 2016 and for industrial design in November 2016. To improve the utilization of the IP system, “Juana Make a Mark” incentive project was launched. The project waived trademark registration fees for MSMEs for a period of 1 year lasting till 14 February 2018 or until 1,000 applications had been filed.

### **Competition Policy**

The Philippines Competition Commission (PCC) was established in February 2016 and promulgated transitory rules on the review of mergers and acquisitions. Rules on Merger Procedure were enacted in November 2017 and the Rules of Procedure of the PCC were promulgated in September 2017.

### **Government Procurement**

In 2016, the Implementing Rules and Regulations (IRR) of the Government Procurement Reform Act went through a second revision to further streamline, standardize and clarify procedures in order to improve the ease of the process and encourage participation of non-government organizations. The review includes simpler eligibility checks and reduction of disqualification of bidders, among others.

With regard to participation in public procurement, there continues to be restrictions on foreign-owned entities. At least 60% Filipino ownership is required for the procurement of goods and consulting services. The requirement is even higher at 75% for the procurement of

infrastructure projects. Foreign bidders are only allowed to participate in specific circumstances, for example, because of commitments in international treaties or when the goods to be procured are not available from local suppliers.

### **Deregulation/Regulatory Review**

The approved Philippine Development Plan 2017-2022 intends to enact a National Transport Policy which will pave the way for the creation of independent regulatory bodies for railway, airport and maritime transport sectors to streamline the transportation sector and efficiently implement the identified development strategies. With regard to the water sector, the Development Plan also supports the enactment of a law that will create an Apex body for the water resources subsector that will oversee and coordinate all related policies and programme implementation.

The Philippine government launched ‘Project Repeal: The Philippine Red Tape Challenge’ in March 2016, an initiative aiming to review and clean up regulations to reduce regulatory compliance costs. The Third Repeal Day which was held in December 2017 noted 976 rules and issuances being repealed by the 13 participating agencies. Currently, the Government is promoting the use of Regulatory Impact Assessments to improve the quality of regulations.

### **Dispute Resolution**

The Department of Labor and Employment mandated a thirty day conciliation-mediation service for all labor cases to strengthen conciliation-mediation mode of settlement. The revised guidelines for the Continuous Trial of Criminal Cases require the civil aspect of certain criminal cases to be referred to the mediation center after the conduct of arraignment and pre-trial.

The Mines and Geosciences Bureau has adopted a two-step Alternative Dispute Resolution process that includes mediation followed by arbitration to improve the speed of resolution and access to justice in mining cases.

### **RTA/FTAs**

The Philippines currently has seven RTA/FTAs in force<sup>18</sup>. As a member of ASEAN, it has signed the ASEAN-Hong Kong Free Trade agreement and ASEAN-Hong Kong Investment agreement which is expected to enter into force in January 2019. The Philippines is currently participating in the negotiations of the Regional Comprehensive Economic Partnership (RCEP) and has ratified the Philippines-European Free Trade Association (PH-EFTA) FTA in March 2018.

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<sup>18</sup> The Philippines’ RTA/FTAs in force are the following ones: ASEAN (1992); ASEAN-China (2005); ASEAN-Korea (2007); Philippines-Japan (2008); ASEAN-Japan (2009); ASEAN-Australia-New Zealand (2010); and ASEAN-India (2010).

## Russia

### Russia's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Average MFN tariffs are going down. However, for agricultural goods, the average MFN tariff is higher than the average bound tariff.
- Export duties are applied to some products, as well as import/export prohibitions, restrictions and licensing.
- Government supported programs in certain sectors to promote economic activity.
- Proposals to remove certain telecommunications activities from the list of regulated services. Restrictions to foreign participation regarding the provision of certain services.
- Russia established a roadmap on the improvement of corporate governance to strengthen information disclosure requirements.
- Foreign investments could require investment clearance in certain cases.
- Free access to documents developed and used in the national standardisation system.
- The new Customs Code of EAEU has been implemented. It enables electronic customs declarations, and establishes shorter clearance periods and stronger networking links with public electronic databases.
- Reforms to prohibit unfair competition and increase effectiveness to combat practices against antimonopoly regulations.
- Efforts to implement all auctions in electronic format. Preferences in public procurement given to small businesses and some restrictions apply to the purchase of foreign goods and services.
- E-visas implemented to enter or exit through checkpoints in Vladivostok.

#### Summary of Topics

##### Tariffs

Between 2012 and 2016, Russia reported a reduction of its average MFN tariff rate from 11% to 8.3%. While the average MFN rate for non-agricultural goods was equal to 6.5%, for agricultural products it was equal to 14.6%, higher than the average bound level of 13.6%.

Since 2015, Russia applied the common customs tariff of the Eurasian Economic Union (EAEU). Russia introduced several temporary import duty waivers on products like polythene, certain chemical substances, and lead ores as part of the EAEU. The EAEU also lowered import duties by half on some types of paper and paperboard. In addition to these, export duties on goods, like, red fish, soybeans and unrefined copper were cancelled while duties for sunflower seeds, lead, zinc and cobalt waste and scrap were reduced.

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\* This brief report was prepared with information from Russia's submission of the 2018 APEC Individual Action Plan (IAP) template; 2016 WTO Trade Policy Review – Report of the Secretariat – Russian Federation; UNCTAD Investment Policy Hub; Eurasian Economic Union; Eurasian Economic Commission; European Commission; Russian Gazette; Russian Legal Information Agency; Agency for Strategic Initiatives; The Russian Government, Ministry of Economic Development, Ministry of Industry and Trade, Russian Federal Service for Intellectual Property, and Federal Antimonopoly Service websites.

Export duties are still applied to some products, such as natural gas, aluminium, iron and steel. However, the number of products subject to these duties have been fallen since Russia's accession to WTO.

### **Non-Tariff Measures**

Russia applies some common measures as part of the EAEU, such as import/export prohibitions, restrictions and licensing. In this regard, Russia has gradually extended its 2014 import ban on certain agricultural products and increased its coverage to more economies. A six-month temporary ban on the export of raw hide was introduced on 1<sup>st</sup> February 2017.

Government support programs are in place in a number of sectors to promote specific activities. For example, the government has implemented programs in recent years to encourage the local production of medicines and support the automotive manufacturing and animal husbandry industries. Russia has confirmed that any of these programs would be administered in conformity with the WTO Agreement on Subsidies and Countervailing Measures.

### **Services**

A draft decree is proposing amendments to the 2005 state regulation on tariffs for public telecommunication and postal services in order to exclude long-distance telephone connections to the subscriber of a network of fixed communications, fax messages and data from the list of regulated services in 2017. The Russian government is also looking to implement plans during the period 2018-2019 on competition development with regards to communications and information technologies.

Restrictions to foreign participation are in place regarding the provision of some services. For example, insurance companies with majority foreign ownership cannot offer life insurance or other mandatory insurance.

### **Investment**

Russia established a roadmap on the improvement of corporate governance, which aims to strengthen information disclosure requirements by public companies, protect the rights of minority stakeholders and increase transparency of the ownership structure of Russian public joint-stock companies.

Foreign investments could require investment clearance, for example, in cases where those proposed investments involve strategic firms or sectors (e.g. geological exploration of subsoil, extraction of minerals, mass media, and monopolies among others). Amendments were introduced in July 2017, in which the Chair of the Government Commission on Monitoring Foreign Investment can decide whether certain foreign investments require approval due to strategic reasons, such as national interest or security concerns.

Measures on investment facilitation have been implemented, such as the procedures for company registration, as well as tax and infrastructure incentives in high-tech parks, industrial clusters and special economic zones.

Currently, Russia has 69 international investment treaties in force. Also, Russia has signed agreements to avoid double taxation with 83 economies.

### **Standards and Conformance**

In 2016, Russia approved a law regulating free access to the documents developed and used in the national standardisation system. Russia also reported efforts to improve regulation



concerning procedures to implement standards. Digital initiatives are also being implemented in terms of certifying compliance. For example, an internet platform that enables certification of real estate projects under local standards of energy efficiency and environmental friendliness was developed to improve transparency of the certification process and make energy efficiency affordable for all structures.

Four unresolved specific trade concerns have been raised against Russia at the WTO SPS Committee since 2016, affecting imports of meats, seafood, wine, confectionery products and edible salts originating from particular markets. Likewise, nine specific trade concerns have been raised at the WTO TBT Committee since 2016. Those most persistently raised are related to burdensome rules of cement certification; draft technical regulation on alcohol drinks safety; and draft amendments to the technical regulation regarding safety on products for children and adolescents.

### **Customs Procedures**

On 22 April 2016, Russia ratified the WTO Trade Facilitation Agreement without any reservations.

The new Customs Code of EAEU, which aims to implement a single customs regulation, enable electronic customs declarations, shorten clearance periods and establish stronger networking links with public electronic databases among others, was enforced on 1 January 2018. The Eurasian Economic Commission Board recently adopted a single window development plan to streamline and harmonise customs procedures.

### **Intellectual Property Rights**

Russia ratified the Geneva Act of the Hague Agreement concerning international registration of industrial designs in April 2017. A decree introducing a higher intellectual property registration fees for patents and providing discounts for electronic filing of applications was signed in 2017.

The Russian Government approved a bill clarifying the procedure for determining the amount of compensation for intellectual property rights' violations in June 2017.

### **Competition Policy**

In January 2016, new regulations were put in place to prohibit unfair competition with regard to the improper use of intellectual property, and illegal receipt and disclosure of restricted information, as well as to increase the effectiveness in fighting offenses against antimonopoly regulations. Amendments to the Administrative Code of Russia also increased fines for restricting competition and economic activity, and established administrative responsibility for the violation of tender procedures.

The 2018-2020 National Competition Development Plan was approved on 21 December 2017, aiming to improve customer satisfaction, and competitiveness and efficiency of the economy.

### **Government Procurement**

Electronic auction is the most frequent method used for government procurement. In May 2016, the Government released a list of goods and services that were available for procurement only through electronic auctioning. Current efforts are in place to make a transition for all procurement methods and incorporate electronic formats.

Preferences are given to small businesses in tenders. Indeed, to improve SME access and participation in procurement, the annual revenue threshold and the asset value for a firm to participate as SME were reduced. Preferences are also extended to institutions of the penal system, organizations regarding people with disabilities and socially-oriented non-commercial institutions.

Restrictions to the purchase of foreign goods and services in public procurement can be imposed for reasons such as national defense and security, developing the economy and supporting domestic producers. For instance, government procurement is restricted to software developed by Russian enterprises listed in the registry unless there is no domestic alternative. A decree was signed in July 2016 with a plan to phase out the use of foreign office software by government agencies by the end of 2018.

### **Deregulation/Regulatory Review**

Regarding the implementation of Regulatory Impact Assessments, a mechanism to analyze the economic and social impact of proposed regulations on SMEs (“SME test”) was implemented in September 2016.

### **Mobility of Business People**

109,115 holders of the APEC Business Travel Card (ABTC) were allowed free entry to the Russian Federation in 2017. Also, passport holders from 18 economies, including those from several APEC members, can obtain 8-day stay e-visas for entry or exit through checkpoints in Vladivostok.

### **RTA/FTAs**

Russia currently has RTA/FTAs in force with 13 economies<sup>19</sup>. As a member of the EAEU, Russia reported participating in free trade negotiations with Singapore, Iran, Israel and Serbia.

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<sup>19</sup> Russia’s RTA/FTAs in force are following ones: Russia-Armenia (1993); Russia-Azerbaijan (1993); Russia-Kyrgyz Republic (1993); Russia-Tajikistan (1993); Russia-Turkmenistan (1993); Russia-Uzbekistan (1993); Russia-Georgia (1994); Commonwealth of Independent States (1994); Russia-Serbia (2000); Russia-Belarus-Kazakhstan-Ukraine (2004); New Commonwealth of Independent States (2012); Eurasian Economic Union (2015); and Viet Nam-Eurasian Economic Union (2016).

## Singapore

### Singapore's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Imports into Singapore are mostly tariff free.
- Import prohibitions and restrictions remain for public health, security or environmental matters.
- Liberalisation of telecommunications and energy sector. Goods and Services Tax will be introduced on imported services from 2020.
- Singapore maintains an open and transparent investment regime.
- Domestic standards are aligned with international standards.
- Plans to improve customs procedures with the use of a common platform.
- Reforms in the Patents Act. All applications will need to undergo full examination.
- Competition policy guidelines revised to streamline and clarify procedures.
- Reforms in legislation reduce regulatory burden on companies, especially SMEs.
- Singapore ratified international agreements on dispute resolution, and increased support for enforcement of mediated settlements.
- Mobility of business people enhanced with the use of technology, but salary requirements for obtaining an Employment Pass increased.
- Comprehensive RTA/FTA network continues to expand, with one new FTA in force since the last assessment.

#### Summary of Topics

##### Tariffs

As in previous updates, Singapore imports are mostly tariff free, except for six tariff lines: beer made from malt (two tariff lines) and samsu (four tariff lines).

##### Non-Tariff Measures

Singapore maintains import licensing regimes for the import of some products for health, safety and environmental reasons. Import prohibitions remain for shisha tobacco, non-medicinal chewing gum and motor vehicles more than three years old, but there has not been substantial changes in import licensing or prohibitions since the last update. Singapore continues to not maintain any subsidy schemes that are dependent on export performance.

##### Services

Singapore maintains an open and transparent services regulatory regime. In terms of telecommunication services, a new operator, TPG Telecom Pte Ltd, from Australia, is entering to provide international mobile telecommunications, including 4G services. In April 2017, the Infocomm and Media Development Authority of Singapore (IMDA) awarded a total of 175 MHz spectrum through the General Spectrum Auction to four winning bidders (M1, Starhub, Singtel and TPG) to enhance their mobile networks, meet the increasing demand for consumer mobile data services and support new growth areas.

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\* This brief report was prepared with information from Singapore's submission of 2018 APEC Individual Action Plan (IAP) template; the 2016 WTO Trade Policy Review – Report by the Secretariat – Singapore; the WTO SPS and TBT Information Systems; information provided by the Ministry of Trade and Industry; and Infocomm and Media Development Authority, Singapore Customs, Ministry of Law, Competition Commission of Singapore, Intellectual Property Office of Singapore and Ministry of Manpower websites.

In October 2017, the Energy Market Authority (EMA) announced the introduction of Open Electricity Market. Starting April 2018, households and businesses in Jurong (a residential town situated in the West of Singapore) can choose to buy electricity from a retailer with a price plan that best meets their needs.

From 1 January 2020, Goods and Service Tax (GST) will be introduced on imported services such as consultancy, marketing, apps and music purchased from overseas suppliers. GST will also be raised from the current 7% to 9% between 2021 and 2025.

In the legal sector, foreign law firms with a Foreign Law Practice (FLP) license may offer foreign law-related services in all areas of legal practice that the FLP is competent to offer and Singapore law-related services in the context of international commercial arbitration or in relation to the Singapore International Commercial Court (SICC), through certain types of registered lawyers. Foreign law firms may provide certain types of Singapore law-related legal services through a Qualifying Foreign Law Practice (QFLP) license, a Joint Law Venture (JLV) with a Singapore Law Practice (SLP), or a Formal Law Alliance (FLA) with an SLP.

### **Investment**

Singapore has 42 Bilateral Investment Treaties (BIT) in force, of which 6 are with APEC member economies. At present, Singapore has ongoing BIT negotiations with Indonesia, Myanmar and Argentina.

Singapore was ranked 2nd in the world in ease of doing business according to the World Bank Doing Business Report 2017. For categories specific to investment, Singapore was ranked first in “Protecting Minority Investors” and second in “Enforcing Contracts”.

### **Standards and Conformance**

Domestic standards in Singapore are largely aligned with international standards such as those set by International Organisation for Standardization (ISO), International Electrotechnical Commission (IEC), and International Telecommunication Union (ITU). Singapore also continues to participate actively in standards and conformance activities at both the regional and international levels. There were no specific trade concerns raised against Singapore between 2016 and 2017 at the WTO.

### **Customs Procedures**

Singapore is building the National Trade Platform (NTP) as a trade and logistics IT ecosystem connecting businesses, community systems and platforms, and government systems. The NTP will streamline work processes by replacing TradeNet as the National Single Window for permit declarations, TradeXchange as the platform connecting the trade and logistics community, as well as adjacent sectors such as trade finance. The B2B tier of the NTP (Release 0) went live in Dec 2017.

With effect from 1 Jan 2018, Singapore has commenced the live operation of the ASEAN Single Window for the electronic exchange of the preferential Certificate of Origin (Form D) under the ASEAN Trade in Goods Agreement of the ASEAN Free Trade Area (ATIGA).

Mutual recognition of Authorized Economic Operators (AEO) programs are maintained with nine APEC economies: Australia; Canada; China; Hong Kong, China; Japan; Korea; Chinese Taipei; Thailand; and the United States.

### **Intellectual Property Rights**

Singapore's amendments to the Patents Act entered into force on 30 October 2017. A key amendment was the broadening of the grace period, so that applicants have the opportunity to obtain patent protection notwithstanding that it has been disclosed prior to the filing of the patent application. In addition, the supplementary examination route, which allowed patent applicants to rely on the grant of a foreign corresponding application, will be unavailable for patent applications filed on or after 1 January 2020, and all patent applications will need to undergo full examination.

In terms of international engagement, Singapore is the champion economy of the ASEAN Patent Examination Cooperation (ASPEC) programme, which helps rights owners obtain patent protection in multiple ASEAN members more efficiently. In 2017, Singapore was re-appointed as an International Searching and Preliminary Examining Authority (ISA/IPEA).

Amendments to Singapore's Registered Designs regime also entered into force on 30 October 2017. Some key amendments include the broadening of the scope of designs protection to permit protection for virtual designs, and the inclusion of colours as one of the features of a design. The grace period for designs has also been broadened from 6 months to 12 months to cover any disclosure of the design originating from the designer.

### **Competition Policy**

The Competition Commission of Singapore (CCS) revised its Guidelines on 1 December 2016. Key changes include a new Fast Track Procedure, which allows businesses under investigation to enter into an agreement with CCS where they will admit their liability early by acknowledging their participation in an anti-competitive activity. In return, they will receive a reduction on the financial penalty to be imposed. The Guidelines also include more clarity and guidance on how CCS will calculate financial penalties, based on the financial year preceding the date when the undertaking's participation in the infringement ended, rather than basing it on the financial year preceding the issuance of CCS's decision. Various notification forms and procedures will be simplified to allow businesses to know upfront what to expect and what will be required by CCS during the investigation process.

### **Government Procurement**

Singapore maintains an open and transparent procurement system. Government procurement requirements, procedures and evaluation criteria for quotations and tenders are posted on GeBiz, a one-stop e-procurement portal.

### **Deregulation/Regulatory Reform**

The Companies Act (CAA 2017) and Limited Liability Partnerships Act (LLPAA 2017) were amended in 2017 to reduce the regulatory burden on companies, make the ownership and control of business entities more transparent as well as improve the ease of doing business in Singapore. Additionally, CAA 2017 introduced a new inward re-domiciliation regime to facilitate the transfer of registration into Singapore. These changes reduce the regulatory burden on firms, especially SMEs.

### **Dispute Resolution**

Singapore ratified the Hague Convention on Choice of Courts Agreements in June 2016, which came into force on 1 October 2016. This enhances the effectiveness of reciprocal enforcement of court judgements among the Contracting States.

Singapore also amended legislation to allow for third-party funding in international commercial arbitration, and strengthened the enforcement of mediated settlements in Singapore with the introduction of the Mediation Act.

The Permanent Court of Arbitration (PCA) signed a Host Country Agreement with Singapore in July 2017 to open its first Asia office in Singapore, and the International Court of Arbitration of the International Chamber of Commerce (ICC Court) inaugurated its new case management office in Singapore, adding to the suite of dispute resolution options available in Singapore.

### **Mobility of Business People**

The Immigration & Checkpoints Authority (ICA) of Singapore fully implemented BIKES II (Biometric Identification of MotorBikers) at land checkpoints in Dec 2016. BIKES II uses fingerprint matching and human detection technologies to automate immigration clearance of motorcyclists. The number of automated counters expanded from the initial 43 to 164.

From 1 January 2017, the Ministry of Manpower increased the qualifying salary for Employment Pass (EP) applications from SGD 3,300 (USD 2,495) to SGD 3,600 (USD 2,722). EP applicants who can command a monthly salary of SGD 3,600 (USD 2,722) or more, subject to meeting other criteria on qualifications and experience, will be considered. Those with more years of experience are also required to command higher salaries commensurate with their work experience and skill sets, as per current practice.

### **RTA/FTAs**

Singapore has a comprehensive network of RTA/FTAs, with 21 RTAs/FTAs in force<sup>20</sup>. Since the previous 2016 Bogor Goals Assessment, Singapore has signed two more RTA/FTAs: ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA) and Sri Lanka-Singapore Free Trade Agreement (SLSFTA). The Singapore-Australia Free Trade Agreement (SAFTA) was upgraded in December 2017. The Comprehensive & Progressive Agreement for the Trans-Pacific Partnership (CPTPP) was signed in March 2018. Singapore is currently participating in negotiations in three RTAs/FTAs: Regional Comprehensive Economic Partnership (RCEP), Eurasian Economic Union (EAEU)-Singapore Free Trade Agreement, and with the Pacific Alliance.

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<sup>20</sup> Singapore's RTA/FTAs in force are the following ones: ASEAN (1992); Singapore-New Zealand (2001); Singapore-Japan (2002); Singapore-EFTA (2003); Singapore-Australia (2003); Singapore-United States (2004); Singapore-Jordan (2005); ASEAN-China (2005); Singapore-India (2005); Singapore-Korea (2006); Trans-Pacific SEP (2006); Singapore-Panama (2006); ASEAN-Korea (2007); ASEAN-Japan (2008); Singapore-Peru (2009); Singapore-China (2009); Singapore-GCC (2013); ASEAN-Australia-New Zealand (2010); ASEAN-India (2010); Singapore-Costa Rica (2013); and Singapore-Turkey (2017).



## Chinese Taipei

### Chinese Taipei's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Average MFN tariff rate was 6.4%, with tariffs for agricultural goods being over three times higher than those for non-agricultural goods. Import tariffs were reduced for certain products, but tariff rate quotas remain.
- The number of products requiring import licenses were reduced. Certain goods were prohibited from import for public health and safety reasons.
- Amendments were made to facilitate companies in hiring foreign employees within Chinese Taipei. Work permits expanded from three to five years.
- Foreign investment regulations were relaxed, but some sectors are still prohibited or restricted for foreign investors.
- Continuous efforts are being made to align domestic standards with international standards.
- Increasing the use of technology in customs procedures and immigration processes.
- Rising numbers of Authorized Economic Operators (AEOs).
- Extensive international collaborations regarding intellectual property rights (IPR).
- Changes were made in competition policy regulations related to mergers. A higher domestic turnover threshold was set and a global sales threshold for companies to notify mergers was adopted.
- Increased lengths of time for merger reviews.
- Longer period to allow stakeholders to provide an opinion regarding draft laws and regulations.
- Efforts in place to streamline procedures in various industries.

#### Summary of Topics

##### Tariffs

As of 12 March 2018, Chinese Taipei reported that 29% of its tariff lines are tariff free. The average MFN tariff rate of all products was 6.4%. Average tariffs for agricultural and industrial products were 15.1% and 4.2%, respectively.

To fulfil their tariff commitments under WTO's Declaration on the Expansion of Trade in Information Technology Products, Chinese Taipei reduced its import tariffs on 201 products, which entered into force on 18 May 2016. Similarly, Chinese Taipei reduced its import tariffs to 5% on four items of renewable energy power generating sets and two items of turbine generating sets in line with its commitments to the outcomes of the APEC List of Environmental Goods.

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\* This brief report was prepared with information from Chinese Taipei's submission of 2018 APEC Individual Action Plan (IAP) template: WTO 2016 World Tariff Profiles; 2015 WTO Trade Policy Review – Report by the Secretariat; the WTO TBT and SPS system; and the National Development Council; Law and Regulations Database; Law and Regulations Database of the Central Bank; Investment Commission of the Ministry of Economic Affairs (MOEAIC); and the government websites: <https://english.ey.gov.tw> and <https://www.ly.gov.tw/EngPages/List.aspx?nodeid=345>.



At the bilateral level, Chinese Taipei lowered import customs duties on 54 products from Paraguay after the Economic Cooperation Agreement with Paraguay entered into force on 28 February 2018.

Tariff rate quotas are applied to 32 tariff lines, consisting of agricultural products such as red beans, peanuts, garlic, certain fruits, betel nuts, shaddock, rice and rice products.

### **Non-Tariff Measures**

As of 3 January 2018, the number of items which requires automatic import licenses has been reduced to 3 from 37 in 2015 at 10-digit HS Code level. 91 items at 10-digit HS Code level remain subjected to import prohibitions. This includes whale sharks, puffer fish, narcotics, toxic chemicals, and waste lead-acid accumulators.

### **Services**

In 2016, Chinese Taipei launched the “Five plus Two Industrial Innovation Plan” to support innovation. The “Act for the Recruitment and Employment of Foreign Professionals” was enacted as part of this plan, which allows companies more flexibility in hiring foreign employees, and makes it easier for foreign employees to work in Chinese Taipei. Work permits were expanded from three years to five years in some cases, and requirements regarding the minimum duration of stay for maintaining permanent residency were abolished.

Amendments to the Electricity Act were passed in January 2017 to liberalize the supply of green energy within 1 to 2.5 years, while renewable energy will be allowed to be sold to users directly from renewable energy generators.

Within the finance sector, the “Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions” was amended in March 2017 to allow securities firms to engage in NTD spot foreign exchange transaction businesses.

In order to provide financial consumers with more convenient and diversified financial products and services, maximizing the benefit of financial inclusion, Chinese Taipei has started to implement the Financial Technology Development and Innovative Experimentation Act since April 30, 2018. The Act helps promote Fintech development and establishes an innovative experimentation mechanism which will create a safe environment for FinTech providers to conduct R&D and pilot trials. The experimentation period may extend to 3 years upon the competent authority’s approval.

### **Investment**

The revised “Negative List for Investment by Overseas Chinese and Foreign Nationals” was enforced on 8 February 2018. The current list prohibits foreign investment in industries such as chemical manufacturing, land transportation and broadcasting. Others such as agriculture, electricity and gas supply, and legal activities are restricted for foreign investors. Chinese Taipei regularly reviews this list to reduce the number of prohibited or restricted industries for foreign investors.

Chinese Taipei is looking to amend The Statute for Investment by Foreign Nationals. Future amendments will revise foreign investment regulations from “approval beforehand” to “notification afterwards in principle, approval beforehand in exception.”

### **Standards and Conformance**

Chinese Taipei has aligned 22 of its domestic standards to the 24 targeted international standards under APEC SCSC's Voluntary Action Plan 2014-2018 for Alignment Work.

Some trade concerns have been raised recently against Chinese Taipei at the WTO Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Committees. The TBT-related concern raised in March 2018 involve the draft of the Organic Agriculture Act. With regards to recent SPS measures, concerns regarding Chinese Taipei's import restrictions in response to an import ban of food exports from five Japanese prefectures after the accident of a nuclear power plant were raised in 2017 with no reported resolution.

### **Customs Procedures**

Chinese Taipei Customs deployed a new e-seal mechanism for containers in 2017. The seal combined a paper seal with RFID electronic components, which adopts NFC (Near Field Communication) specifications. It can be encoded and scanned to reveal information about the containers with a smart phone.

Chinese Taipei established 696 Authorized Economic Operator (AEOs) as of December 2017, an increase from 638 in December 2015. In addition, Chinese Taipei has established mutual recognition of AEOs with the United States, Singapore, Israel and Korea.

### **Intellectual Property Rights**

An amendment to the Patent Act was promulgated on 18 January 2017 and entered into force on 1 May 2017. Major revisions to the Patent Act include extending the grace period for filing invention patent and utility model patent applications from 6 months to 12 months, which provides inventors with greater protection.

Chinese Taipei engages in various collaborations with other economies. The IP Authority has extended its Patent Prosecution Highway (PPH) Mottainai pilot program with Japan by three years. A similar program with Polish and Canadian authorities commenced separately in August 2017 and February 2018 respectively. Additionally, MOUs on the deposit of biological material and IP cooperation were signed with the UK and the EU IPO in December 2017 and January 2018, respectively. Chinese Taipei also signed an MOU with the United States to strengthen cooperation on combatting intellectual property infringement and trade fraud crimes in February 2017.

### **Competition Policy**

The Fair Trade Commission (FTC) amended the “Thresholds and Calculation of Sales Amount which Enterprises of a Merger Shall File with the Fair Trade Commission” in 2016. The FTC increased domestic turnover thresholds for non-financial sectors and financial sectors, and adopted a standalone threshold including the global sales of merging parties.

Article 11 of the Fair Trade Act was amended on 14 June 2017 to revise the merger review period from 30 calendar days to 30 working days. A new provision was also added to stipulate the procedure of reviewing hostile acquisition. If one of the merging parties disagrees on the merger, the FTC should provide necessary information to that party in advance and consult its opinion.

### **Deregulation/Regulatory Review**

The preview period for draft laws and regulations was extended from 14 days in principle to 60 days in October 2016 to allow stakeholders sufficient time to express opinions.

Legislation on various industries such as insurance, chemical and retail were amended to streamline procedures through the use of single window systems, and easing regulations. Use of technology was also encouraged through digital signatures and online filing platforms.

### **Mobility of Business People**

Chinese Taipei launched its eVisa Program on 12 January 2016. The program streamlines the visa application process and is applicable to passport holders from 23 economies as of January 2018.

Besides Chinese Taipei passport holders, U.S. Global Entry members have been able to use the Automated Immigration Inspection System (E-Gate) since 1 November 2017. E-Gate uses facial images and fingerprints to verify travellers' identities.

### **Transparency**

Chinese Taipei published an order in July 2017 requiring international accounting standards such as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and those by the International Financial Reporting Interpretations Committee be implemented in 2018.

### **RTA/FTAs**

Currently Chinese Taipei has eight Free Trade Agreements (FTA) or Economic Partnership Agreements (EPA) in force.<sup>21</sup>

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<sup>21</sup> Chinese Taipei's RTA/FTAs in force are the following ones: Chinese Taipei-El Salvador-Honduras (2008); Chinese Taipei-Guatemala (2006); Chinese Taipei-Nicaragua (2007); Chinese Taipei-Panama (2004); Chinese Taipei-China (2010); Chinese Taipei-New Zealand (2013); Chinese Taipei-Singapore (2014); and Chinese Taipei-Paraguay (2018).

## Thailand

### Thailand's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Average tariffs are lower than those in the first half of this decade. However, agricultural products are still maintaining higher tariffs than non-agricultural products. Tariff-rate quotas still apply to some agricultural products.
- No import/export levies, export subsidies and minimum import prices are in place. Import/export licensing requirements apply for some products.
- The new Digital Government Plan 2017-2021 aims to improve digital capabilities in all sectors by integrating digital technologies into public services.
- Foreign ownership restriction remains in some areas. Some professions are still reserved to Thai citizens only.
- The new Customs Act is looking to facilitate trade and increase transparency. More certainty added to the appeal process.
- The 2017 Computer Crime Act provides new tools for combating online IP crimes and empowers officials to conduct investigations and confiscations.
- The Trademark Act was amended in 2016 with significant structural policy changes.
- The Trade Competition Act has introduced the Office of Trade Competition Commission as an independent government agency. State-Owned Enterprises are subject to this Act.
- A new Constitution which aims to introduce laws only to the extent of necessity and repeal unnecessary ones, conduct consultations with stakeholders, and evaluate the outcomes of the law regularly among others things, was enacted in 2017.
- A new SMART Visa targeting highly-skilled professionals in areas such as robotics, biotechnology and digital issues was launched in February 2018 to encourage knowledge transfer and improve competitiveness of Thailand.

#### Summary of Topics

##### Tariffs

The latest WTO World Tariff Profiles reported an average tariff of 9.5% in 2017. However, it also showed a significant difference between tariffs applicable to agricultural and non-agricultural products. While the average tariff for non-agricultural products was equal to 7.2% in 2015, the average tariff for agricultural products reached 25.1%. Tariff-rate quotas are still applicable to a number of agricultural products.

Customs duties have been reduced or eliminated in accordance to tariff liberalization schedules in Thailand's free trade agreements with Australia, China, Chile, Japan, New Zealand, and ASEAN members, amongst others.

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\* This brief report was prepared with information from Thailand's submission of the 2018 APEC Individual Action Plan (IAP) template; 2017 WTO World Tariff Profiles; UNCTAD Investment Policy Hub; World Intellectual Property Organization; International Rubber Council; Thai Customs; Government Public Relations Department; The Secretariat of the Cabinet; Department of Water Resources; Ministry of Public Health; Thailand Board of Investment; Ministry of Foreign Affairs; Council of State; Department of Internal Trade; Consular Department; and Court of Justice websites.

### Non-Tariff Measures

As a member of the International Tripartite Rubber Council, Thailand, along with Malaysia and Indonesia have set an export quota of 350,000 tonnes of natural rubber between January and March 2018 in an attempt to curb world supply in response to falling world prices. Import and export prohibitions are imposed on goods that endanger public morals, domestic security, human or animal life, health, and intellectual property, where necessary. For example, import prohibitions apply to electronic cigarettes, used cars, logs made from teak trees or rubber, CFC refrigerators, and used tyres amongst others. Similarly, export restrictions have been imposed on firearms and military vehicles to economies at war or of war-threat in conformance with international obligations.

Thailand has no import or export levies, export subsidies, and minimum import prices.

Import licenses are required for certain products, like some medical and pharmaceutical products due to domestic consumer safety. Additionally, automatic export licensing is required for everyday items like coffee, rice and sugar. In recent years, Thailand had implemented anti-dumping duties on several steel-related products pursuant to investigation initiated and conducted in accordance to WTO rules.

### Services

Thailand recently announced its Digital Government Plan 2017-2021 which aims to improve digital capabilities in all sectors by integrating digital technologies into public services. In 2017, the National Energy Policy Committee had approved guidelines to fully liberalise liquefied petroleum and natural gas to promote competition and encourage investment.

New regulations under the Foreign Business Act 2017 loosened restrictions on foreigners operating businesses in certain banking and financial services, asset management services, and real estate leasing services, among others. Nevertheless, several businesses are still reserved for domestic investors (e.g. media, farming and fishing) or subject to foreign ownership and board members restrictions (e.g. mining, sugar production and transportation). Likewise, some occupations are reserved for only Thai nationals.

### Investment

The Thailand Board of Investment made several announcements in recent years to promote innovation and investment into the food industry, medical services, and manufacturing, among others, by providing incentives like corporate income tax and import duty exemptions, as well as financial facilities.

Thailand has 55 international investment treaties as of March 2018.

### Standards and Conformance

Thailand reported having developed 3,256 industrial standards by December 2017, of which 1,319 are internationally aligned. 285 agricultural standards were established with only 6 of them being mandatory and almost all of them being aligned with international standards such as those under the CODEX Alimentarius, World Organisation for Animal Health (OIE) and International Plant and Protection Convention (IPPC). Thailand's regulatory authorities participate actively in international and regional standardizing bodies.

Three specific trade concerns against Thailand remain unresolved at the WTO Sanitary and Phytosanitary (SPS) Committee, with the most recent one being related to the import restriction

on papaya seeds. In recent years, two specific trade concerns were raised against Thailand at the WTO TBT Committee related to the control on infant formula marketing and the notification of a draft with rules, procedures and conditions for labels of alcoholic beverages with the aim to protect public health and reduce teenage drinking.

### **Customs Procedures**

Local-based businesses can apply for the preferential certificate of origin under the ASEAN Trade in Goods Agreement through the electronic data interchange system.

A new Customs Act was published repealing the outdated 1926 Act and introducing some key amendments, such as, reduction in reward and incentives awarded to whistle-blowers; consideration of intent and negligence in customs evasion; reduction in statutory penalties; and limited time period for post-clearance audits. It also provides a 180-day time limit to the Appeal Committee to resolve an appeal being brought to a customs officer. This new act is expected to expedite and facilitate customs procedures while ensuring more transparency and consistency.

### **Intellectual Property Rights**

A 20-year Intellectual Property (IP) Roadmap was introduced under the ‘Thailand 4.0’ policy aiming to create a more conducive environment for IP creation, better facilitating the registration process, and improving enforcement. The 2017 Computer Crime Act provides new tools for combating online IP crimes and empowers officials to conduct investigations and confiscations.

The Trademark Act was amended in 2016 with significant structural policy changes which include adjustments in line with Thailand’s ratification to the Madrid Protocol. In addition, the amendments would enable multiple-class filings in an application, eliminate the requirement for IP owners to associate similar marks, change important timeframes to improve compatibility, and allow for a grace period for renewals.

### **Competition Policy**

In July 2017, the Trade Competition Act was published, instituting several changes including introducing the Office of Trade Competition Commission as an independent government agency enabling better enforcement, subjecting state-owned enterprises to the new Act, and implementing high fines for anti-competitive conduct.

### **Government Procurement**

Thailand introduced its Government Procurement and Supplies Management Act of 2017 which aims to standardize procurement processes across the economy, increase transparency, introduce a new criteria for evaluation of bids called ‘Price performance’, and provide platforms for greater public participation. The Act also extends across all 9,000 state agencies compared to the previous regulation which covered around 1,000.

### **Deregulation/Regulatory Review**

A new Constitution which aims to introduce laws only to the extent of necessity and repeal unnecessary ones, conduct consultations with stakeholders, and evaluate the outcomes of the law regularly among others things, was enacted in 2017. A State-Owned Enterprises reform to improve transparency and efficiency is currently underway. The reform plans to establish the National State Enterprise Policy Committee as the only entity overseeing all SOEs. In addition, it aims to reduce unreasonable political interference in the board-director nomination process.

### Dispute Resolution

The Thai Arbitration Institute revised the existing arbitration rules to improve efficiency and fairness in proceedings through measures like establishing a timeline for the arbitration, enabling the submission of documents by electronic means, and allowing the tribunal to grant interim measures.

### Mobility of Business People

Thailand launched an online platform for ABTC application in 2017. An e-Visa system for foreign visitors is currently being developed and its initial phase is expecting completion in mid-2018.

A new SMART Visa was launched in February 2018 to encourage knowledge transfer and improve competitiveness of Thailand. The 4-year visa is targeted at attracting highly-skilled professionals to work or invest in the S-Curve industries which comprise of robotics, digital and biotechnology.

### RTA/FTAs

Thailand has 12 RTA/FTAs in force<sup>22</sup> and some of them are under review for further liberalisation. In addition, Thailand is currently participating in negotiations on the Regional Comprehensive Economic Partnership and bilateral FTAs with Pakistan, Turkey and Sri Lanka. Thailand has ratified the ASEAN-Hong Kong, China FTA which will enter into force on 1 January 2019.

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<sup>22</sup> Thailand's RTA/FTAs in force are the following ones: ASEAN (1992); Thailand-India (2004); Thailand-Australia (2005); ASEAN-China (2005); Thailand-New Zealand (2005); ASEAN-Korea (2007); Thailand-Japan (2007); ASEAN-Japan (2009); ASEAN-Australia-New Zealand (2010); ASEAN-India (2010); Thailand-Peru (2011); and Thailand-Chile (2015).



## United States

### United States' Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Average MFN tariffs are low, but tariffs are relatively high for some agricultural and clothing products. Recent tariff increases affecting steel and aluminium products.
- Tariff rate quotas apply to some products.
- Import prohibitions and restrictions are implemented when necessary due to safety, security, public health, environmental and moral grounds.
- No application of export taxes and duties.
- Largest services provider and trader. Services usually provided by private sector suppliers.
- Recent measures to facilitate provision of legal services by foreign attorneys in New York.
- Investment regime remains free and open, although some foreign investment restrictions are in place due to prudential or national interest.
- The elaboration of technical regulations have to rely on “voluntary consensus standards”.
- The Trade Facilitation and Trade Enforcement Act is strengthening enforcement capabilities. *De minimis* value per shipment has been raised.
- Reforms in intellectual property are allowing civil enforcement of trade secrets protection at the federal level.
- Priority to reduce regulatory burdens. Changes in internet regulation.
- The U.S. Government has been authorized to issue permanently APEC Business Travel Cards to U.S. citizens.
- Renegotiation of NAFTA is underway, as well as the discussions to amend the KORUS FTA.

#### Summary of Topics

##### Tariffs

The simple MFN applied average tariff was 3.5% in 2016, with 45.9% of the products entering as duty-free. The trade weighted applied tariff was equal to 2.4%. MFN tariff peaks remain in certain sectors such as beverages and tobacco, fruits, vegetable and plants, clothing, dairy products and sugar. Many agricultural products, as well as fish, fuels, textiles and footwear products are also subjected to non-ad valorem tariffs.

The United States has been implementing tariff reductions to products from 20 FTA partners, including 6 FTAs with seven APEC economies.

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\* This brief report was prepared with information from the United States' submission of the 2018 APEC Individual Action Plan (IAP) template; the 2017 WTO Trade Policy Review – Report by the Secretariat – United States; WTO World Tariff Profiles 2017; the WTO SPS and TBT Information Systems; the OECD Services Trade Restrictiveness Index Country Notes; UNCTAD Investment Policy Hub; and information from the White House; the Federal Register; the Office of the United States Trade Representative; the U.S. Customs and Border Protection; the Federal Communications Commission; and the U.S. State Department websites.

In March 2018, import tariffs were increased for steel and aluminium products, due to current import quantities of these products threatening to impair national security concerns. Imports originating from certain economies have been excluded from this measure.

### **Non-Tariff Measures**

Tariff rate quotas apply to some products in the dairy industry, as well as beef, sugar, tobacco and cotton, among others. Import prohibitions and restrictions are in place for certain products due to safety, security, public health, environmental and moral grounds. Import licenses (automatic and non-automatic) are required for 15 product categories (e.g. animals and animal products, dairy products, firearms, natural gas, steel and distilled spirits, among others).

The United States does not apply export taxes and duties. Export restrictions and prohibitions are imposed for national security and foreign policy reasons.

### **Services**

The United States is the world's largest services provider and largest exporter and importer of services, based on latest data available (year 2016). Services are usually provided by private sector suppliers. Foreigners can provide professional services, as long as they pass a competence exam and meet practice requirements. Among the measures facilitating foreigners to provide services, foreign attorneys can obtain temporary authorization to practice law in New York since 2016.

Restrictions to foreign participation remain in some services sectors. For instance, domestic maritime transportation is closed to foreign firms. In air transport services, foreign participation cannot exceed 25% of voting shares and 49% of non-voting shares. In the banking sector, foreigners can enter the market by establishing or buying a nationally chartered bank subsidiary is allowed, but this is not allowed by establishing or buying a state-chartered commercial bank.

### **Investment**

The United States maintains an open investment regime with few formal barriers. However, restrictions on foreign investment apply to certain sectors because of prudential or national security reasons. Foreign investment transactions could be reviewed in specific cases by the Committee on Foreign Investment in the United States (CFIUS) for national security purposes. Notifications of transactions to CFIUS are voluntary.

According to the UNCTAD Investment Policy Hub, the United States currently has 40 bilateral investment treaties and 50 other treaties with investment provisions in force.

### **Standards & Conformance**

In 2016, the Office of Management and Budget revised Circular A-119 “Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities”. The review takes into account regulatory developments since the circular was last revised in 1998. This Circular establishes that the elaboration of technical regulations has to rely on “voluntary consensus standards”, unless this is inconsistent with the law or impractical.

During the period 2016-2017, four specific trade concerns were raised against the United States at the WTO SPS Committee without any reported resolution. They are related to the high cost of certification of mango exports, non-acceptance of OIE categorization for bovine spongiform encephalopathy (BSE), the U.S. Sea Food Monitoring Program and a proposed rule to withdraw food pesticide residue tolerances for chlorpyrifos. In 2017, two specific trade

concerns were raised against the United States at the WTO TBT Committee regarding standards of identity for cheese and Wisconsin butter laws.

### **Customs Procedures**

The Trade Facilitation and Trade Enforcement Act (TFTEA) was enacted in February 2016. The TFTEA is strengthening enforcement capabilities, for example, by giving more tools to investigate alleged evasion of antidumping and countervailing duties and keep counterfeit goods out of the United States. Furthermore, the TFTEA prohibits imports made by forced labor, including child labor.

In terms of trade facilitation, with the TFTEA, the *de minimis* value was raised from USD 200 to USD 800 per shipment. Moreover, it extends the funding for the Automated Commercial Environment, system that has implemented the U.S. Single Window.

### **Intellectual Property Rights**

One of the objectives in FTA negotiations, including the renegotiation and modernization of NAFTA, is to seek robust standards for intellectual property rights protection and enforcement.

In 2016, the Economic Espionage Act was amended by the Defend Trade Secrets Act (DTSA), which allows civil enforcement of trade secrets protection at the federal level. Before the DTSA was enacted, it was only possible to tackle issues concerning trade secrets through state laws.

### **Competition Policy**

No major changes have occurred in this area. In terms of state-owned enterprises, the United States notified at WTO a list of state-owned enterprises in 2016: Commodity Credit Corporation (CCC); the Isotope Production and Distribution Program Fund (IP & D); Power Administrations; and the Strategic Petroleum Reserve (SPR) as state trading enterprises (STEs). However, these companies do not hold any exclusive rights to export, import or market their products, as other private firms can participate in the market under the same terms that these state-owned firms do.

### **Government Procurement**

The Buy American Act, which requires the Federal Government to purchase domestic goods, and the Trade Agreements Act, which allows some exceptions, such as purchases from counterparts above the thresholds set in FTAs and the WTO Government Procurement Agreement, remain the main legislation in this area. The thresholds are adjusted every two years. The current thresholds are valid from 1 January 2018 to 31 December 2019.

### **Deregulation/Regulatory Review**

A priority is the reduction of regulatory burdens. In 2017, the Office of Management and Budget Issues released the “Unified Agenda of Regulatory and Deregulatory Actions”, which includes next steps in regulatory reforms and a reorientation to reduce unnecessary regulation, such as those that are ineffective, duplicative and obsolete.

In December 2017, the Federal Communications Commission (FCC) adopted the Restoring Internet Freedom decision, which mainly reverses the Open Internet rules that came into effect in June 2015. The FCC mentions that this decision is restoring a favorable climate for network investment and will spur competition and innovation to benefit consumers.

### **Mobility of Business People**

The U.S. Congress authorized the U.S. Government to permanently issue APEC Business Travel Cards to U.S. citizens. While the United States remains a transitional member of this scheme, its holders cannot use the card in lieu of a visa to enter other APEC economies.

Travelers of 38 economies (including 8 APEC economies) are currently eligible to travel to the United States under the Visa Waiver Program. However, this scheme is not available if the person has travelled to or been present in Iran, Iraq, Libya, Somalia, Sudan, Syria or Yemen on or after 1 March 2011; and if the person is also a national of Iran, Iraq, Sudan, or Syria.

### **RTA/FTAs**

The United States currently has 14 RTA/FTAs in force<sup>23</sup>. Currently, the United States is renegotiating NAFTA with the purpose of updating it with modern provisions and seek a rebalance to incentivize production in the United States and North America. Likewise, the United States and Korea reached an agreement in principle on general terms of amendments and modifications to the Korea-United States (KORUS) FTA.

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<sup>23</sup> United States' RTA/FTAs in force are the following ones: United States-Israel (1985); NAFTA (1994); United States-Jordan (2001); United States-Singapore (2004); United States-Chile (2004); United States-Australia (2005); United States-Morocco (2006); United States-Dominican Republic-Central America (2009); United States-Bahrain (2006); United States-Oman (2009); United States-Peru (2009); United States-Colombia (2012); United States-Panama (2012); and United States-Korea (2012).

## Viet Nam

### Viet Nam's Bogor Goals Progress Report (as at 3 September 2018)\*

#### Highlights of Achievements and Areas for Improvement

- Average MFN tariff rate was 9.6% in 2016 with tariffs on agricultural products almost twice that of non-agricultural goods.
- Safeguard measures were put in place on certain steel and chemical products.
- Regulations in many service industries clarified, including the role of foreign workers.
- Restrictions on foreign participation in pay-TV remain.
- Law on Investment amended to reduce the number of business sectors where government pre-approval for foreign investments is required.
- Some new specific trade concerns have been raised against Viet Nam in the WTO SPS and TBT Committees in recent years.
- New Customs Law guides the implementation of the National Single Window, which connects 11 government agencies. Use of online systems and electronic forms introduced.
- Viet Nam ratified the WTO Amendment of the Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) in January 2017.
- Plans to amend Competition Law to extend scope of its application.
- Viet Nam is looking at reducing unnecessary regulatory burden on trade and investment issues.
- Online processing system for temporary residency for foreigners, as well as pilot e-visa program implemented.
- Viet Nam is expanding its network of RTA/FTAs and engaging in several RTA/FTA negotiations

#### Summary of Topics

##### Tariffs

Average MFN applied tariffs in Viet Nam were 9.6% in 2016, with average tariffs on agricultural goods at 16.3%, almost twice those of non-agricultural products at 8.5%. 15.6% of agricultural products were duty free, compared to 38.3% of non-agricultural products.

Nonetheless, high MFN tariffs of over 20% apply to certain types of goods such as beverages and tobacco (50.2%), petroleum (34.2%), sugars and confectionery (33.3%), coffee and tea (26.8%), transport equipment (22.2%), fruits, vegetable, plants (21.2%), and cereals and preparations (20.9%).

Between 2016 and 2017, Viet Nam has implemented a number of decrees to reduce tariffs according to their RTAs/FTAs in force.

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\* This brief report was prepared with information from Viet Nam's submission of 2018 APEC Individual Action Plan (IAP) template; the 2016 WTO World Tariff Profiles, AmCham Vietnam, and information from the Ministries of Education and Training; Finance; Foreign Affairs; Industry and Trade; Information and Communication; Justice; Customs; Planning and Investment; and Government of Viet Nam websites (laws, decrees, circulars, and decisions).

### Non-Tariff Measures

Viet Nam prohibits the export and import of certain goods for reasons of national security, health, environmental or cultural reasons. Items prohibited from export include ammunition, national relics, and rare fauna and flora. Import prohibitions apply to goods such as second-hand consumer goods, right-hand-drive motor vehicles, and certain chemicals.

Safeguard measures in the form of tariff quotas were applied on pre-painted galvanized steel products imported into Viet Nam, effective from 15 June 2017. In addition, Viet Nam applied definitive safeguard measures on the imports of certain fertilizers of Diammonium Phosphate (DAP) and Monoammonium Phosphate (MAP) on 02 March 2018. The fertilizers under the investigation included: DAP and MAP containing substantial elements of Nitrogen and Phosphorus with minimum content of 7% Nitrogen and 30% Phosphorus. However, fertilizers are excluded from scope of subject products having one of the elements as follows:  $N < 7\%$ ;  $P_2O_5 < 30\%$ ;  $K_2O > 3\%$ .

### Services

Viet Nam released several circulars clarifying the regulations of foreign investment in industries such as petroleum, foreign exchange management of borrowing and repayment of overseas loans applied to enterprises, maritime services, amongst others.

Several decrees and circulars were also issued to clarify the role of foreign workers in certain industries. For example, a decree from 2017 clarified that foreign contractors in the construction sector are allowed to directly carry out import and export procedures. Likewise, a circular in 2016 identified foreign workers eligible for work permit exemption, who are internally reassigned by enterprises operating within eleven service sectors specified in Viet Nam's WTO Schedule of Commitments on trade in services, including accounting and auditing, telecommunications, construction and engineering, financial services, and health related services.

Local content requirements apply in some areas. For example, the number of foreign channels broadcasting on subscription television in Viet Nam is limited to no more than 30% of the total number of channels.

### Investment

Annex IV of the Investment Law came into effect on 1 January 2017 to reduce the number of sectors where both domestic and foreign investments are subject to conditional post-approval from 267 to 243 sectors. Business lines that were removed include consulting services, manufacture of animal feed, and lighting and greenery system operation services. There were also new conditional business lines added, such as manufacturing assembling and import of automobiles, registration and maintenance of ".vn" internet domain name services, and manufacture and repair of liquefied petroleum gas containers (LPG containers).

An interconnected mechanism for processing Applications for Investment Registration and Enterprise Registration Submitted by Foreign Investors was introduced in April 2017. This mechanism aims to simplify administrative procedures.

### Standards and Conformance

Viet Nam has issued a number of decrees and circulars to clarify on standards, technical regulations and also regulated conditions for conformity assessments, accreditation, calibration and testing in the economy between 2015 and 2017.



In 2017, Viet Nam had three specific trade concerns raised against it at the WTO Technical Barriers to Trade (TBT) Committee. The concerns raised were regarding shipping requirements on alcoholic beverages, issues on cybersecurity and regulations on the conditions for automobile manufacturing, assembling importing and automotive warranty & maintenance services. By the end of 2017, Viet Nam had two specific trade concerns raised against it at the WTO Sanitary and Phytosanitary (SPS) Committee in recent years with no reported resolution. These issues relate to undue delays in the approval process for dairy and meat products, and the suspension of certain groundnut seed imports.

### **Customs Procedures**

The new Customs Law, which came into effect on 1 January 2015, provides guidelines on the National Single Window and gives priority to modernizing their customs process through the use of electronic forms. The Single Window connects 11 government agencies including: Ministry of Industry and Trade, Ministry of Science and Technology, Ministry of Transportation, Ministry of Agriculture and Rural Development, and the Ministry of Finance.

An electronic customs declaration information portal was also launched on 15 March 2017, to allow relevant agencies to make tax-related procedures, payments by banks and other administrative procedures.

### **Intellectual Property Rights**

Viet Nam ratified the WTO Amendment of the Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) in January 2017.

The Domestic Office of Intellectual Property of Viet Nam piloted the e-filing system on e-Government, which serves to simplify procedures and shorten the time needed for filing applications for IP registration.

### **Competition Policy**

Viet Nam intends to amend its Competition Law in May 2018 to extend the scope of its application, changing its approach in controlling the restrictiveness of agreements, abuse of dominant market position, and economic concentration, amongst other aspects.

### **Government Procurement**

A number of circulars were released between 2016 and 2017 to provide guidance on the government procurement process in Viet Nam. This includes issues such as e-procurement, as well as procurement processes in specific industries like engineering, construction, and land-using projects.

### **Deregulation/Regulatory Review**

Viet Nam has implemented some regulatory reforms, through reviewing its Foreign Trade Management Law, Export and Import Taxes Law and Planning Law, among others. Viet Nam is also looking at reducing unnecessary regulatory burden on trade and investment issues.

### **Mobility of Business People**

Online systems for processing passport applications for Vietnamese citizens and temporary residency for foreigners were implemented. A pilot e-visa program for foreigners from 40 economies was also implemented on 1 February 2017.



**RTA/FTAs**

Viet Nam currently has ten RTAs/FTAs in force<sup>24</sup>, and nine agreements under negotiation including the Regional Comprehensive Economic Partnership (RCEP) and Viet Nam – European Free Trade Association (EFTA) Free Trade Agreement. The Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP) was signed in March 2018.

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<sup>24</sup> Viet Nam's RTA/FTAs in force are the following ones: ASEAN (1992); ASEAN-China (2005); ASEAN-Korea (2007); Viet Nam-Japan (2009); ASEAN-Japan (2009); ASEAN-Australia-New Zealand (2010); ASEAN-India (2010); Viet Nam-Chile (2012); Viet Nam-Korea (2015); and Viet Nam-Eurasian Economic Union Free Trade Agreement (2016).