

MARKET ACCESS GROUP (MAG)

CONVENOR'S REPORT AND INPUTS FOR CTI ANNUAL REPORT TO MINISTERS

(a) Key outcomes and achievements in 2021

APEC List of Environmental Goods (EG List)

- MAG continued to monitor the implementation of the APEC List of Environmental Goods (EG List). As of 1 January 2021, with Indonesia fully compliant with the tariff reductions for all 54 products listed in the EG List to a maximum of 5%, a total of 19 member economies had fully implemented the EG List. Chile and Thailand had been working towards full implementation of the commitments through their respective domestic procedures.
- MAG has also contributed to the fulfilment of the tasking in the 2021 APEC Ministers Responsible for Trade (MRT) Meeting Joint Statement in relation to updating the EG List in terms of Harmonized System (HS) tariff classifications for reference purposes. On 16 August 2021, MAG endorsed the updated common EG List in HS2017 at the six-digit level for reference purposes, and two proposed decisions points: (i) for each economy to, on a voluntary basis, update their individual environmental goods implementation plans using the list in HS2017 as a reference point by November 2021; and (ii) for MAG to continue this work into the next phase of transposing the list from HS2017 to HS2022. As of 12 October 2021, eight member economies have updated their implementation plans for tariff reductions on environmental goods using the list in HS2017. In addition, MAG also assisted the CTI in reviewing the APEC Policy Support Unit (PSU)'s Policy Brief on "A Review of APEC List of Environmental Goods", which is prepared in response to the 2021 MRT Statement's tasking of reviewing the implementation of the original EG List in contributing to green growth, addressing climate change, and securing sustainable economic development objectives.
- Australia conducted a "Scoping Study on New and Emerging Environmental Goods" to research new and emerging goods that support global sustainability, focusing on climate change mitigating technologies that contribute to emissions reduction, and outlining the current landscape for trade in these new and emerging environmental goods. The study identified new environmental products contributing to emission reduction/mitigation which could be considered as candidates for future potential work on updating the EG List. A corresponding workshop was held on 30 September 2021 to discuss findings of the study and consider possible next steps to increase and facilitate trade in environmental goods in the region on voluntary basis, such as discussing one of the approaches to expanding the 2012 APEC List of Environmental Goods to include new and emerging environmental goods and technologies, improving data collection and analysis, building on regional and bilateral free trade agreement liberalisation, advancing work on non-tariff barriers, and sharing and disseminating knowledge on environmental goods regulation. The findings in the study and workshop are without prejudice to the positions of APEC member economies or negotiations in other fora.

WTO Trade Facilitation Agreement (TFA)

- All APEC member economies ratified the WTO TFA and notified their Category A, B and C commitments. The MAG Convenor and the APEC Secretariat continued to monitor and receive updates on implementation status on the "Table Monitoring APEC Economies' Implementation of the WTO TFA". Malaysia reported its implementation of Category B commitments effective from 1 June 2021. The Philippine Trade Facilitation Committee was

created on 18 May 2021 while Hong Kong, China; Indonesia and Thailand also provided updates to the table regarding WTO notification documents or the contact points of their respective National Committee on Trade Facilitation.

- The United States had been spearheading projects on Capacity Building and Technical Assistance to Implement Programmes related to specific articles in the WTO TFA:

Article 1 (Publication and Availability of Information): A project had been conducted to assist Peru to analyse the publication of trade-related information. The corresponding report titled “Trade Facilitation – Transparency in Peru: Comparative Best Practices and Recommendations” was endorsed on 19 April 2021.

Article 3 (Advance Rulings): A one-day workshop on advanced rulings best practices was held in February 2020 in Putrajaya, Malaysia. The workshop focused on advanced ruling systems and the ways member economies can make those systems more user-friendly, efficient, and transparent. The summary report of the workshop was endorsed on 18 March 2021.

Article 8 (Border Agency Cooperation): A workshop on “Border Agency Cooperation – WTO TFA Article 8” was held on 11 August 2021 to share best practices of domestic and international border agency cooperation with a view to improving the efficiency, predictability, and transparency of border clearance procedures.

WTO Information Technology Agreement (ITA) and ITA Expansion

- MAG members shared views on the benefits of joining the ITA Expansion. Participating economies encouraged those that are not part of the ITA Expansion to join.

APEC Trade Repository (APEC TR)

- MAG continued to keep the information on the APEC Trade Repository (APEC TR) up-to-date to improve transparency and facilitate trade. MAG further utilised the APEC TR by including the link to APEC economies’ “Implementation Plans for Tariff Reductions on Environmental Goods”.
- The Philippines updated on the usage of the APEC TR from 16 February 2021 to 31 July 2021, which accounted for 3 537 users, 4 073 sessions and 7 050 page views.
- The “Study on Strategy to Promote the Utilization of the APEC Trade Repository” initiative proposed by Indonesia is still in the process of quality assessment. The initiative aims to provide strategies and promotional materials to boost the usage of the APEC TR, and enhance member economies’ ability to promote APEC TR to relevant stakeholders, especially to business associated with export-import activities.

Supply Chain Connectivity Framework Action Plan Phase II (SCFAP II)

- The Final Review of the Supply Chain Framework Action Plan Phase II (SCFAP) was conducted this year. With a view to the findings of the review report and the fact that COVID-19 had severely impacted supply chain connectivity and increased trade costs, APEC economies considered exploring the next phase of this workstream to continue the work on trade facilitation and supply chain issues.

APEC Pathfinder for Facilitating Trade in Remanufactured Goods

- The United States conducted a “Study: Trade of Remanufactured Goods in APEC”, and held a related workshop on “Trade of Refurbished Medical Devices in APEC” on 30 September 2021.

(b) Work Undertaken by the fora in response to COVID-19 (in particular in fulfilling the [2021 Ministers Responsible for Trade Statement & two annexes](#) & the [2020 Declaration on Facilitating the Movement of Essential Goods](#))

- The 2021 MRT Statement instructed officials to review the implementation of the EG List in contributing to green growth, addressing climate change, and securing sustainable economic development objectives, and to update the EG List in terms of HS tariff classifications for reference purposes by the APEC Ministerial Meeting in November. MAG has contributed to the fulfilment of this mandate by taking forward the work on HS code transposition of the EG List as directed by the CTI. Three rounds of informal/ad hoc group discussions (29 June, 29 July and 10 August) took place to discuss the work in detail. On 16 August 2021, MAG endorsed the updated APEC List of Environmental Goods in HS2017 for reference purposes, as well as two decision points to take forward the work on this issue, namely –
 - (i) Each economy to, on a voluntary basis, update their individual environmental goods implementation plans using the list in HS2017 as a reference point by November 2021, if they have not already done so; and
 - (ii) For MAG to continue this work into the next phase of transposing the list from HS2017 to HS2022.
- MAG also assisted in reviewing the PSU’s Policy Brief on “A Review of APEC List of Environmental Goods”, which is prepared in response to the 2021 MRT Statement of reviewing the implementation of the original EG List in contributing to green growth, addressing climate change and securing sustainable economic development objectives.

(c) Key Issues Under Discussion by the Fora (if any)

APEC List of Environmental Goods (EG List)

- While the majority of MAG members were generally supportive of continuing intersessional work to pursue the extra initiative of updating the EG List from HS2017 to HS2022 for reference purposes after SOM3, some advised at the MAG ad hoc meeting held on 15 September 2021 that they were not in a position to commit to an outcome before the finalisation of their domestic and/or regional HS nomenclatures in HS2022. To maintain momentum, MAG would continue to engage in discussions and exchange written comments on the draft transposition document to HS2022 intersessionally.
- Recognising that since APEC Economic Leaders endorsed the APEC List of Environmental Goods in 2012, new environmentally friendly goods, technologies and innovations have emerged that are not covered by the original list. In line with existing mandates, this includes discussion and work to implement the EG List and review the implementation of the original list in contributing to green growth, addressing climate change and securing sustainable economic development objectives, to update the list in terms of HS tariffs classifications for reference purposes (acknowledging that MAG has updated the list to the currently in-effect HS tariff classifications of HS2017), and will consider potential work to update the list.

APEC Pathfinder for Self-certification of Origin

- The APEC Pathfinder for Self-Certification of Origin started in 2009 and sought to reduce the administrative burdens and costs associated with complex rules of origin documentation and procedures. The United States had completed an informal review of Free Trade Agreements (FTAs) of APEC member economies, and the analysis showed that both pathfinder and non-pathfinder economies had adopted self-certification of origin through FTAs or other ways. A summary of findings and a formal proposal to close this Pathfinder will be provided to MAG and CTI in due course.

(d) Items to submit to Senior Officials or Ministers (if applicable)

- Nil.