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CHAIRMAN'S REPORT**APEC INVESTMENT EXPERTS GROUP MEETING****April 16-17, 1996**

1. The APEC Investment Experts Group (IEG) met in Singapore on April 16-17, 1996 to select a new Chair and to advance its agreed work program and implementation of investment aspects of the Osaka Action Agenda.

2. Australia was selected as the new Chair of the Experts Group. However, at the request of Australia, the former Chair (the United States) remained in the Chair for the remainder of the meeting.

Guidance from SOM/CTI on Implementation of the Osaka Action Agenda and Investment Experts Action Plan

3. The Chair reviewed developments and guidance from the Senior Officials (SOM) and Committee on Trade and Investment (CTI) regarding implementation of the Osaka Action Agenda and preparations for tabling individual and collective action plans at the Manila and Subic Bay meetings in November. The SOM will retain primary responsibility for oversight of preparations on Individual Action Plans (IAPs) and the CTI will be responsible for oversight and management of preparations on Collective Action Plans by the various experts groups and subcommittees implementing collective aspects of Part I (C) of the action agenda. With regard to the Individual Action Plans, the CTI and its experts may be called upon to assist in the development of common presentational elements and to provide expert advice on the preparation and presentation of plans. The Chair also outlined the agreed processes and deadlines established by the SOM and CTI for preparation of initial collective action plans by the May CTI meeting and presentation of a summary status report to the May SOM and to the July Trade Ministerial.

4. The Experts Group acknowledged the need for better coordination and communication between it and a number of other APEC groups which have undertaken work on aspects of investment. For example, the Economic Committee, Finance Ministers, Infrastructure High Level Group and Working Groups on Energy, Telecommunications, Fisheries, Transportation, Human Resources Development (HRD), Industrial Science and Technology and Trade and Investment Database Review all are undertaking work related to investment. Investment Experts agreed to monitor this work more closely in the future and to promote greater dialogue with these groups, as necessary, to prevent duplication of work and enhance substantive work within APEC on investment.

5. To ensure better communication on substantive issues it was agreed that IEG members representing economies serving as shepherds for Working Groups engaged in investment activities would closely monitor work in these groups. This would serve as an initial step to stimulate better two-way communication between the investment experts and working groups/other fora. The APEC Secretariat was requested to assist the IEG in monitoring investment work in other groups to ensure duplication of work is avoided. The Secretariat prepared a preliminary report for the IEG on investment work being undertaken within APEC and will expand the report for members' consideration at the next IEG meeting.

Review of Draft Matrix on Investment

6. The Group reviewed a draft matrix designed to facilitate the preparation of Collective Action Plans on Investment. Through discussion and dialogue, a final matrix (attached) was prepared which outlines collectively agreed actions to be taken under the Osaka Action Agenda and the IEG's Investment Action Plan. The matrix highlights four primary areas of IEG work: (1) transparency; (2) policy dialogue; (3) facilitation; and (4) cooperation. The final document also provides examples for members on collective steps we must take to advance our collective objectives and the kind of individual steps each member could take to support the advancement of collective goals. These examples are provided to assist members in completing their matrix.

7. It was agreed that each member would complete an initial matrix and submit it to the Chair by May 3, 1996. The Chair will then prepare a summary report for the CTI meeting in Cebu outlining progress members and the IEG are making in the implementation of Osaka objectives. Members were invited to share their submissions with other members as a means to assist the Chair in completing the summary report and to stimulate subsequent discussion of the IEG's work. The Chair will circulate its draft summary report to members for comment before the Cebu meeting. Experts also invited members to share new ideas on possible collective steps which could be taken to implement collective goals in the context of their own plans and as proposals for consideration at the next meeting.

Ongoing Issues

8. Investment Experts reviewed progress in three areas of ongoing work.

Investment Guidebook

9. The APEC Secretariat and Japan reported on progress in the completion of the updated APEC Guidebook on Investment, to be published by June, 1996. All but three members have completed their submissions. The Editorial Board established in October will now begin its work to ensure consistency in presentations and quality of the publication. Members encouraged the three remaining members to submit their information immediately, but agreed that the publication would proceed without inclusion of these submissions, if necessary, to ensure funding is available for publication.

10. Investment Experts agreed that a minimum number of Guidebooks would be published in hard copy. The Secretariat was also granted the authority to explore the possibility of using the Electronic Publishing System for some Guidebooks to reduce mailing costs.

In addition, Experts discussed the best means to make the Guidebook available on the Internet. It was agreed that there was a strong preference for promoting maximum transparency and availability to the public, but that there may be need for some cost recovery to assist in funding costs of regular updates of the information on the Internet. Various methods of providing information on the Internet (Read only, Downloadable and Toll Gates) were discussed. The Experts asked the Editorial Board and project shepherds to work with the Secretariat and the Budget and Administration Committee (BAC) to determine the best options from a budgetary and publication perspective. Decisions on these matters must be taken by June 30 to ensure funding from existing budget allocations. The Editorial Committee and Shepherds were given the responsibility for taking final decisions based upon guidelines outlined above.

Second Business Symposium

11. The United States and Japan reported on work of shepherds to develop plans for the second business symposium agreed in Osaka. Japan will host the symposium in September in Tokyo. The United States outlined initial ideas for the format and agenda of the event. It was agreed that the event should follow the format adopted for the first symposium, emphasizing a workshop approach that stimulated greater dialogue with business. Maximum dialogue with business and minimum presentation/lecture time were established as guidelines for the symposium. Members also supported participation by 2-3 government and 3-4 business representatives from each economy (a total of six participants per delegation) as an optimal size for the event. Japan will circulate a logistical guide in the near future.

12. Four elements of a possible agenda were outlined and suggestions on additional agenda topics and possible speakers were solicited. PECC representatives offered to help organize one of the sessions, to take advantage of discussions on investment by PECC members at the PECC Trade Policy Dialogue, which will immediately precede the September APEC Symposium. Experts welcomed this offer and agreed to work with PECC officials to develop the idea further.

13. Members also were invited to participate in the planning of the event. Chinese Taipei offered to assist Japan and the United States in planning.

Technical Assistance

14. Japan provided additional information on the Budget and Administration Committee's discussion of the Y10 billion TILF fund and noted that it could be a resource for work to advance technical assistance in the investment field.

15. Members noted their keen interest in this program and on the need to advance the technical assistance work program in the Investment Experts Group. A group of shepherds was established to develop proposals for a collective technical assistance work program to be presented to members at the next meeting. Chinese Taipei offered to Chair the group. Thailand, Japan, Indonesia, China and Malaysia agreed to assist in this effort.

Other Issues

16. Canada circulated a non-paper for member's information on possible WTO consideration of Investment. The paper had been circulated to WTO members earlier this week and was provided in the interest of transparency. There was no discussion of the paper.

17. Investment Experts also discussed the timing for their next meeting. It was agreed that no meeting would be held in parallel with the May CTI/SOM in Cebu, but that members should tentatively plan for a possible meeting in parallel with the August CTI/SOM in Davao. Formal agreement was reached also to hold an IEG meeting in parallel with the Business Symposium in September in Tokyo. Precise dates are to be determined.