

APEC INVESTMENT EXPERTS GROUP (IEG)

REPORT OF MEETING IN ST JOHN'S, CANADA 24-25 AUGUST 1997

The IEG met in St John's on 24-25 August 1997. The Group also plans to meet in Hong Kong on 30-31 October 1997, following the APEC Business Investment Symposium.

Intensifying Work on Investment in APEC and ABAC Recommendations

2. Attached is the report on the discussion and progress of this item as agreed to by the Group and provided to the Committee on Trade and Investment as part of the Chair's report on the meeting.

Policy Discussion Forum

3. The policy discussion forum comprised presentations by Japan on the development of its foreign direct investment and policy regime and by Korea on its experience with one-stop investment agencies. The Group was very interested in Japan's experience with moving to a post notification regime and the reasons behind the scheme to promote foreign direct investment in Japan. There was also active discussion of the one stop agencies with economies sharing their own experiences with such arrangements. Hong Kong confirmed that it will make a presentation on its foreign investment regime at the next meeting, it was also agreed that an ASEAN representative would be asked to report on the recent ASEAN Investment Agencies Meeting.

Technical Assistance and Training Programs

4. The Group noted that three technical cooperation proposals had received approval from the Budget and Administrative Committee in July and were scheduled for consideration by the SOM later in the week.

- Seminar of FDI policy and Administrative Adjustment (Thailand and the People's Republic of China)
- Training Program on Strategies to identify and promote Investment in Specific Areas (Malaysia)
- Training program on Improving the capabilities on Statistical Reporting and Data collection (People's Republic of China).

5. The Group will consider further progress on these projects at its meeting in Hong Kong.

Business Survey

6. The Group discussed the second business survey and invited members to volunteer to join the task force headed by Japan to consider the design of and conduct the survey. It was agreed that the task force will meet on the margins of the Business Investment Symposium in September.

7. The Group discussed the desirable size and composition of the survey sample, noting the need for appropriate balance and manageability. In this connection, the United States agreed to check whether it holds any records from the first survey which might be of use to the task force in designing the survey. Member economies were asked to advise Japan as soon as possible if they were able to participate in the task force and any views on the coverage of the survey.

6. Japan indicated it would discuss with PECC and PBEC the possibility that one of them might undertake the survey, although it was noted that this would require additional funding.

Business Investment Symposium

9. The Group received reports from Hong Kong and New Zealand on the arrangements for the business symposium in Hong Kong. Fifty copies of the brochure had been sent to each capital and members were asked to ensure high level business participation. In this respect it was agreed that the Chair of the IEG would write an open letter inviting participation in the symposium, which member economies could forward to invited delegates. New Zealand undertook to draft this letter in consultation with the Chairman.

10. Hong Kong advised that the hotel required participants to make bookings by 27 September 1997.

Format of Individual Action Plans

11. The Group discussed the CTI's call to improve the format for the IAP's and agreed to recommend that the guidelines in relation to investment be amended to read:

'(d) **Investment** The current position of APEC members is contained in the Guide to the Investment Regimes of APEC Member Economies. Members could respond to ABAC's recommendations on investment by providing a progress report towards implementing the APEC Non-Binding Investment Principles and other international agreements relevant to that economy.

Members could outline, where applicable, any steps they intended to take with respect to exception and reservations, and to fulfill the Osaka Action Agenda commitment to progressively provide for MFN treatment and national treatment and ensure transparency, and the time frames within which they intend to take them. Members could also outline any steps they intended to take to facilitate investment activity through technical assistance and cooperation.'

Best Practice on IAPs

12. The United States outlined its proposal for identifying best practice in the preparation of IAPs. There was broad acceptance within the Group on the benefits of dialogue, such as through the Policy Discussion Forum. It was agreed to await further developments in the CTI on this matter.

WTO Working Group on Trade and Investment

13. The Group discussed the draft paper prepared by Canada. It was agreed that a factual paper should be sent by the Group to the WTO Working Group outlining the APEC's work on investment. Canada will revise the draft paper in the light of drafting suggestions made in the discussion and circulate it to members by 5 September with a request for any further comments by 19 September.

Investment Guidebook

14. The Secretariat provided an update on the status of the Guidebook and on the negotiations with Chamber World Network for its use in electronic information systems. The Group asked that these negotiations be completed by the time of the Hong Kong Business Symposium so an announcement could be made then.

15. The Group agreed that members would review their entries in the Guidebook and provide any changes to the Secretariat as soon as possible before the end of September, so that the Guidebook could be up to date for the Business Symposium and so that the Secretariat could prepare a Recent Change page which could be used at the Symposium to highlight the extent of improvements that are occurring in the investment regimes of APEC members.

Review of Collective Action Plan

16. The Group discussed and agreed on the attached reports to the CTI on progress in implementing the collective action plan and providing a revised and updated collective action plan for the forthcoming year.

Other business

17. Japan reported on a seminar held in Tokyo on 24-25 July 1997 by the APEC Telecommunication Working on Promoting Business/Private Sector Participation in Telecommunication Infrastructure Development. The seminar had discussed elements of the environment required for private sector investment in information infrastructure.

18. The Group discussed arrangements for its meeting in Hong Kong. Agenda items would include a first discussion on the development of options to enhance the environment for investment under the program agreed at the St John's meeting, the ABAC recommendations in the light of discussions with ABAC representatives at the Business Symposium, and assessment of the Symposium and its outcomes. The United States undertook to examine whether it would be practicable to postpone the proposed seminar on the implementation of the Uruguay Round TRIMS Agreement until the Group's following meeting in Penang in view of the Group's desire to proceed with a Policy Discussion Forum at its meeting in Hong Kong.