

**Co-Chairs' Summary Conclusions of the
Fourth APEC Electronic Commerce Steering Group Meeting
20 August 2001, Dalian, the People's Republic of China**

The fourth meeting of the Electronic Commerce Steering Group (ECSG) was held on 20 August 2001 in Dalian, the People's Republic of China. The Co-Chairs were Mr. Peter Ferguson of Canada and Mr. Zhang Daming of China. The meeting was attended by Australia; Brunei Darussalam; Canada; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; the Philippines; Chinese Taipei; Thailand; the United States; and Viet Nam. The APEC Secretariat and the Official Observer from PECC were also present.

I. Introductory Remarks by Co-Chairs

In his remarks, Mr. Ferguson stressed the desire to build a stronger agenda, both for the Electronic Commerce Steering Group (ECSG) and electronic commerce across APEC. The ECSG also has to ensure effective coordination, something SOM would like the ECSG to do.

Mr. Zhang, thanked the past Co-Chairs of the ECSG, Mr. Jonathan Menes and Ms. Michelle O'Neill from the United States, and Mr. Thawatchai Sophastienphong from Thailand for their contribution to the ECSG. He pledged to do his best to accomplish the tasks of the ECSG.

II. Report on Outcomes of SOM II and Meeting of APEC Ministers Responsible for Trade (MRT)

The APEC Secretariat reported on outcomes of the Meeting of APEC Ministers Responsible for Trade (MRT) and SOM II that are pertinent to the work of the ECSG, including the following:

- Ministers welcomed the progress made in the area of electronic commerce as well as the ECSG's work programme. Ministers urged enhanced cooperation in this area, especially on capacity building for developing member economies;
- Ministers welcomed the recommendations arising from the APEC High Level Symposium on Electronic Commerce and Paperless Trading held during 9-10 February 2001 in Beijing. In particular, Ministers endorsed the initiative of developing APEC Paperless Trading IAPs;
- in the context of fostering business outreach, Ministers welcomed the initiative of setting up a business-government dialogue mechanism and requested the ECSG to further explore the initiative;
- Ministers reaffirmed their commitment to the APEC-wide moratorium on the imposition of customs duties on electronic transmissions until the Qatar WTO Ministerial Conference;
- in order to narrow the existing digital divide among member economies, Ministers emphasized the need to enhance economic and technical cooperation in various fora;
- SOM took note of the report of the ECSG and its work priorities which have incorporated the recommendations from the High Level Symposium on Electronic Commerce and Paperless Trading. SOM requested the ECSG to take follow-up action, in particular in involving the business sector in the work of the ECSG.

- SOM urged the ECSG and the e-APEC Task Force to coordinate their work more closely.

In this context, Mr. Ferguson noted that there were coordination incentives.

III. Status of E-Commerce Initiatives in Other Fora

The APEC Secretariat informed the meeting that the Twelfth APEC Ministerial Meeting (AMM) in November 2000 in Brunei Darussalam, noting that electronic commerce is becoming a mainstream activity across many sub-fora, urged the need for better coordination and collaboration. In this context, Ministers instructed officials to work together with the APEC Secretariat in updating the inventory on electronic commerce activities and consider widening the scope of APEC's electronic commerce work programme, taking into account the relevant recommendations of the ECSG.

Following a general discussion of the APEC 2001 Electronic Commerce Stocktake, the meeting agreed on the following course of action:

- that the 2001 Stocktake be circulated to APEC member economy and fora contact points for any additions and/or corrections prior to submission to the AMM in October;
- that dates and contact points for each initiative be included, where possible; and
- that for better relevance and outreach to business, the format of the 2001 Stocktake be revised to reflect the normal business flow in e-commerce. (The APEC Secretariat will perform this task after the AMM.)

Mr. Ferguson noted that the Stocktake is a useful bridge-building and accountability tool.

IV. Online Consumer Protection –(New Zealand and Canada)

Canada and New Zealand informed the meeting that eleven economies responded to the preliminary questionnaire on consumer protection in 2000. A report has been written and will be sent to the eleven economies for comment prior to posting on the ECSG website. The issue of whether the information should then be made available to the public was raised. The next phase of the project requires responses from all economies to the first questionnaire together with gathering additional information. These requirements are incorporated in a new questionnaire circulated to the meeting.

In the general discussion that followed, there was a general expression of support for the public availability of the report as well as the next phase of work. However, Thailand expressed the view that since there is a considerable gap in the level of consumer protection among economies, information should be made available to the public on a gradual basis. The meeting also agreed to the proposal for the development of a set of voluntary APEC Principles for On-line Consumer Protection. The United States volunteered to lead work in this area.

V. Paperless Trading and Electronic Commerce

Australia presented its draft Paperless Trading IAP to the meeting. After a general discussion, covering clarification of the questions contained in the IAP and inquiries as to G7 activities in this area, the meeting agreed on the following:

- a work programme for the voluntary delivery of Paperless Trading IAPs to the AMM in October and the 2002 MRT; and
- to encourage APEC member economies to formulate their Paperless Trading IAPs on a voluntary basis for submission to the AMM or the MRT.

In this context, Australia could deliver an IAP in October, Japan could not guarantee an October delivery, Chinese Taipei would try for February 2002 and Thailand would aim for 2002 as well.

VI. SME E-Commerce Action Plan

The United States introduced its stocktake of Current SME/E-Commerce Related Projects in APEC: 1999-Present, the aim of which is to identify duplication and assist with gap analysis in the context of implementing the 2000 APEC-Wide Action Plan to Support the Use of Electronic Commerce by SMEs.

After a general discussion on content and process, the meeting agreed to the following:

- to solicit any further inputs, including contact point information, by 21 September 2001; and
- to conduct gap analysis in order to identify further work required for the effective implementation of the 2000 APEC-Wide Action Plan to Support the Use of Electronic Commerce by SMEs.

Australia also made specific points relating to the non-business orientation of the stocktake, the need for business matching activities, and the need to make SMEs aware of their role in the value chain concept.

Mr. Ferguson also noted the need to consult the SME WG.

VII. Seamless Regulatory and Legal Environment

Australia informed the meeting that, pursuant to Viet Nam's New Economy Initiative on Strengthening the Legal Framework for Electronic Commerce, an E-Commerce Legal Infrastructure Workshop is to be held at TEL 25 in March 2002 in Viet Nam.

Australia also briefed the meeting on the implications of the Hague Convention on Jurisdiction and Foreign Judgements in Civil and Commercial Matters in relation to e-commerce transactions.

Canada provided a status report on UNCITRAL's work on a draft Model Law on Electronic Signatures and an Omnibus Convention aimed at eliminating writing and unnecessary signatures. Following a discussion on the role of the ECSG on this issue in relation to that of the TEL e-Security Task Group, the meeting generally agreed to have the TEL undertake APEC work related to e-security. However, the meeting agreed to wait for the outcome of the e-Security Task Group at TEL 24 before making a final decision.

VIII. Other Updates/Proposals

A. Privacy

The United States led a discussion on privacy – the protection of personal information in commercial transactions, approaches to and the status of private data protection in other regions and the proposal for an ECSG Forum on Privacy.

The meeting agreed to convene an ECSG Forum on Privacy workshop at ECSG 5 to address the issue of protecting private data and promoting consumer confidence in electronic commerce. The ECSG also agreed to give due consideration to the issue of privacy in its future work.

B. EduPACT

PECC informed the meeting of EduPACT's work on the technical and legal regulatory infrastructure to support e-learning. The meeting agreed for PECC to review recommendations put forth on the policy environment conducive to the development of e-learning and report to ECSG 5.

C. OECD Workshop on Information Security in a Networked World

Japan informed the meeting of the OECD Workshop on Information Security in a Networked World to be held during 12-13 September 2001 in Tokyo. The security of business networks is an issue of increasing concern to the private sector, and to governments, and a subject that relates directly to overall trust and confidence in electronic commerce. APEC has been invited to participate in this event.

D. Symposium on Transforming the Digital Divide into a Digital Opportunity

Chinese Taipei presented the outcomes of the Symposium on Transforming the Digital Divide into a Digital Opportunity Workshop, held during 24-27 July 2001 in Taipei.

IX. Consideration of the Outcomes from the Private Sector Workshop on Electronic Commerce

The meeting agreed to establish an APEC E-Commerce Business Alliance as proposed by China in response to the recommendation of the High Level Symposium on Electronic Commerce and Paperless Trading to foster business outreach.

X. Consideration of Possible Improvement on the ECSG Work Program

China presented its Proposal for Strengthening Economic and Technical Cooperation among APEC Economies in the Field of E-Commerce. Following discussions on financial implications and on other aspects of its content, the meeting agreed to further develop the proposal.

XI. Report to SOM

The meeting agreed to report the following to SOM III:

- a final version of the APEC 2001 Electronic Commerce Stocktake, with any final refinements from member economies and fora will be submitted through the SOM to the 13th APEC Ministerial Meeting;

- in reviewing the APEC 2001 Electronic Commerce Stocktake, the ECSG agreed on the following programme of work, which will add value and contribute to strengthening APEC's electronic commerce work programme:
 1. agreed on a work programme for the voluntary delivery of Paperless Trading IAPs to the 13th AMM and the 2002 MRT;
 2. establishment of an APEC Business Alliance in response to the recommendation of the High Level Symposium on Electronic Commerce and Paperless Trading to foster business outreach;
 3. agreed in principle to the Proposal for Strengthening Economic and Technical Cooperation among APEC Economies in the Field of E-Commerce, which will be continuously and collectively developed;
 4. in response to Viet Nam's New Economy Initiative on Strengthening the Legal Framework for Electronic Commerce, agreed to convene an E-Commerce Legal Infrastructure Workshop at the TEL 25 in 2002 in Viet Nam;
 5. with a view to the effective implementation of the 2000 APEC-Wide Action Plan to Support the Use of Electronic Commerce by SMEs, agreed to undertake an analysis of further work required in this area;
 6. in response to the 1998 APEC Blueprint for Action on Electronic Commerce, agreed to convene an ECSG Forum on Privacy workshop at ECSG 5 to address the protection of private data and promote consumer confidence in electronic commerce;
 7. development of voluntary APEC On-line Consumer Protection Principles;
 8. agreed that PECC will review recommendations put forth on the policy environment conducive to the development of e-learning and formulate a report to ECSG 5;
 9. agreed to revise the format of the APEC Electronic Commerce Stocktake with a view to more effective communication of APEC work in this area to business; and
 10. agreed to consider a review and possible update of the 1998 APEC Blueprint for Action on Electronic Commerce in 2002.

XII. Other Business/Next Meeting

The meeting agreed to hold future ECSG meetings in conjunction with SOM I and III. ECSG 5 will be held in mid-February 2002 in conjunction with SOM I in Mexico.