

Chairman's Report of the IEG Meeting

May 19 - 20, 2002, Merida, Mexico

Introduction

1. The Investment Experts Group (IEG) held its 2nd meeting for 2002 in Merida on 19th-20th May 2002.
2. The meeting was attended by representatives from Australia; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; Peru; Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States; and the APEC Secretariat.
3. The meeting was chaired by Dr. Taeho Bark, Professor of Seoul National University, Korea.

Welcoming/Opening Remarks

4. Chair welcomed delegates to the meeting and invited new delegates to introduce themselves.

Business Arrangement

5. Mexico expressed its welcome to all delegates visiting Merida and briefed them on the business arrangements for the meeting.

Adoption of Agenda

6. The current Agenda was adopted (2002/SOMII/CTI/IEG/001).

Urgent Funding Requests

7. APEC Secretariat reported that at the last April BMC meeting in Singapore, China's Study proposal on Start-up companies and venture capital was approved while Korea's study proposal on M&As was not. Secretariat also noted that there were changes in the Guidebook regarding project management which would be circulated shortly to member economies.

Investment Environment

(i) Investment Promotion

8. (a) APEC Investment Symposium

Russia requested the Group to recommend speakers for the Symposium to be held in Vladivostok, Russia, September 4-7, 2002, and asked for active

participation from the Group for the Investment Mart to be held in Vladivostok, September 9-12, 2002. China offered to assist Russia in its Investment Mart, based on the experiences and lessons learned from last year's Investment Mart in Yantai. In particular, China offered to assist Russia in identifying speakers for the Investment Mart. Russia circulated a revised Investment Symposium program to the Group.

(b) Cross-border Mergers and Acquisitions/Start-up Companies and Venture Capital

- Phase I Study on APEC Cross-border Mergers and Acquisitions

Secretariat informed the Group that the contract was sent to the PECC on May 17th, 2002. Secretariat is now waiting for a reply from Mr. Findlay to sign the contract and to release the paper to the Group. Once the contract is signed, the PECC will distribute the report to the IEG members and the Competition Policy and Deregulation Group (CPDG) for final comments. The Group may discuss whether this proposal should proceed onto Phase II at the next IEG meeting.

- Case Studies of Korea, China and Hong Kong

The Group endorsed this project proposal for submission to the CTI and BMC.

- Study Proposal on Start-up Companies and Venture Capital

The Group endorsed Chinese Taipei's study proposal for submission to the CTI and BMC. Members suggested that the results of China's Seminar on Start-up companies and venture capital be incorporated into Chinese Taipei's study.

(ii) Menu of Options

(a) Forward Progress on the Menu of Options

After a discussion on USA's revised proposal on the Forward progress on the Menu of Options, the members of the Group decided that further consultations with their capitals were needed. The Group agreed to revisit issue inter-sessionally and discuss further at the IEG III.

(b) Expansion of the Menu of Options

Canada reported that it was still interested in providing preliminary wording regarding "Competition Policy and Regulatory Reform" in the Menu of Options. Canada will provide draft wording inter-sessionally, in order to be discussed at the next IEG meeting.

(c) Seminar on the Implementation of the Menu of Options

China reported that the Seminar will be held in Beijing in December, the exact dates are yet to be confirmed. China sought assistance from the Group in recommending speakers and expressed hope that more people from the business

sector would attend the Seminar. Following suggestions from the Group, China will invite researchers involved in Chinese Taipei's study on Start-up companies and venture capital.

Investment Guidebook

9. The Group endorsed the project proposal from China to update the Investment Guidebook. The Group suggested that China consult with member economies regarding the design of the survey questionnaire. The Group recommended that there be a mechanism to check the consistency in the information to be collected from individual member economies.

Broadening and Updating of the Osaka Action Agenda (OAA)

10. The Group reviewed the proposal submitted by the CTI Chair and proposed to revise wording under Investment Guidelines, item (d) of the Osaka Action Agenda (OAA).

d. examine ways to incorporate new investment forms and activities for *the sound and sustainable economic growth and development of the Asia-Pacific region, including ~~developments in~~ investment forms and activities that support the new economy.*

The Group also agreed to revise item (b).

b. seek to expand APEC's network of bilateral *and regional* investment agreements *and contribute to multilateral work on investment.*

Review of CAP Implementation

11. The Group agreed to revise the wording of item (I) in the Collective Action Plan (CAP).

I. *Discuss concepts, scope, provisions and implementation of international investment agreements* with a view to fostering a more favorable environment in the Asia-Pacific region.

The Group also decided to revise the time frame of item I from "long-term" to "medium-term".

Other Business

12. (i) Mexico's Workshop on Regional and Bilateral Investment Rules/Agreements

Mexico distributed to the Group a summary of the Workshop results. The Group requested Mexico to highlight important issues for the IEG to follow-up on inter-sessionally.

- (ii) Ranking of IEG Study Proposals

The Group decided to rank Korea's study proposal on Cross-border M&As: Case studies of Korea, China and Hong Kong, China to the CTI and BMC first followed by Chinese Taipei's study proposal on Start-up companies and venture capital.

(iii) Policy Discussion Forum

The Philippines will consider making a presentation on its investment regime at the IEG III following consultations with its capital.

(iv) Peru's One Stop Shop Seminar

Peru presented the proceedings of its One Stop Shop seminar held in Lima in February 26-27, 2002. Peru also informed the Group on the developments the Government is working on in the areas of business facilitation.

(v) IEG activities related to WTO capacity building

Mexico and Peru volunteered to formulate a proposal regarding the potential activities of the Group in relation to the WTO's work on investment, including capacity building projects and workshops. The Group agreed to invite the Chair of the WTO Capacity Building Group to the next IEG meeting in order to obtain a better understanding of the IEG's role within the WTO capacity building of APEC.

(vi) Candidate for next IEG Chair

Malaysia nominated as a candidate for the next IEG Chair, Mr. Carlos Garcia Fernandez, Director-General within the Ministry of Economy of Mexico. The Group welcomed the nomination and asked Mexico to provide Mr. Garcia's curriculum vitae to the Group inter-sessionally.

(vii) Date and Venue of the Next Meeting

Mexico will inform the Group on the arrangements of the next IEG meeting, to be held in August in Mexico, inter-sessionally 21/05/2002 02:42.

Document Access

13. A decision was made by IEG on the document access for the documents circulated at the meeting.

First Reading of the Draft/Report/Minutes of Meeting

14. The draft of the Chair's Report was circulated for preliminary comments by the members. The Group decided that members should make comments on the draft Chairman's Report of the IEG Meeting in Merida, Mexico by the end of June.