



Asia-Pacific
Economic Cooperation

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Agenda Item: VIII. 1

Sectoral Ministerial Meetings

Purpose: Information
Submitted by: APEC Secretariat



14th APEC Ministerial Meeting
Los Cabos, Mexico
23-24 October 2002

The 1st APEC Ocean-related Ministerial Meeting
Seoul, Korea
22-26 April, 2002

Seoul Oceans Declaration

We, the APEC Ocean-related Ministers, representing 21 economies bordering the world's largest ocean;

Recognizing the importance of oceans for food security, sustainable economic development, and social and environmental values within the APEC region;

Recognizing the importance of the APEC region in achieving the conservation and management of living marine resources since APEC economies constitute over 75% of the world's capture fisheries and over 90% of world aquaculture production, and that they consume 70% of the world's global fish products;

Acknowledging the current efforts of APEC economies to address the challenges of ocean-related issues, and to make use of shared experiences, lessons learned and a range of management tools;

Determined to add further momentum to the implementation of the Bogor Declaration, the Osaka Action Agenda, the 1997 Action Plan for the Sustainability of the Marine Environment, the 1998 Hawaii Declaration at the APEC Oceans Conference, the 2001 Montreal Declaration, and 2001 leaders declaration on counter-terrorism;

Welcoming the adoption of the Doha Development Agenda, noting the launch of new negotiations and committed to supporting its successful conclusion;

Aware of the need for leadership and improved regional coordination and cooperation for the responsible care of the oceans;

Understanding the value of an ecosystem-based approach to coastal and marine management and the importance of implementing such an approach in an integrated and cross-sectoral manner;

Recognizing the economic, social and environmental benefits to APEC economies of improved forecasts derived from oceans and atmospheric observations;

Recognizing the value and guidance provided by existing measures, frameworks and programs, and of ongoing international efforts that may assist regional and domestic efforts to address sustainable oceans management;

Mindful of the need to ensure that efforts of member economies are in accordance with relevant international instruments;

Noting the importance of engaging relevant sectoral and stakeholder interests in decision making processes, including NGOs and the private sector; and

Recalling the APEC Leaders' commitment in Shanghai in 2001 to contribute to the success of the World Summit on Sustainable Development and asserting the value that APEC can contribute from a regional perspective to the oceans theme at the Summit in August 2002;

resolve to...

Domestic Action

Develop and promote, in an integrated manner, better coastal and oceans management using an ecosystem-based approach, including for sub-regional seas, river basins and watersheds adjacent to coastal areas;

Improve and strengthen market-based instruments, regulations and enforcement mechanisms for the sustainable management of marine resources;

Develop and promote, in accordance with applicable international law, the use of a range of tools for sustainable management, including marine protected areas within member economies' jurisdictions, environmental impact assessment and oceans and integrated coastal zone management policy and frameworks;

Facilitate the adoption and implementation of international instruments relating to maritime safety, marine pollution, compensation and liability for environmental damage from ships, and the use of harmful anti-fouling paints;

Contribute to further international efforts for the control and management of ship's ballast water and sediments;

Domestic and Regional Action

Improve the conservation and sustainable management of important and critical coastal and marine habitats and related ecosystems;
Facilitate, through exchange of information, effective regional implementation of global fisheries instruments in achieving responsible fisheries and sustainable aquaculture;
Eliminate IUU fishing activities from the APEC region;
Support the development of scientific research in fisheries and aquaculture that will strengthen our knowledge and improve decision-making, and to advance the scientific basis for incorporating ecosystem considerations toward, inter alia, developing a shared understanding of the concepts and practice underpinning the ecosystem-based approach to management;
Accelerate efforts to address the threats posed by introduced marine pests, destructive fishing practices, and sea-based and land-based sources of marine pollution;
Increase efforts to sustainably manage tourism activities that affect or potentially affect marine and coastal environments;
Take further steps to involve all relevant stakeholders, including the private sector, NGOs and academia as partners in pursuit of sustainable development;
Regional Action

Strengthen cooperation for building capacity, sharing information and expertise, including for marine science and technology, responsible fisheries and sustainable aquaculture, and coastal and marine management in an integrated manner;
Strengthen cooperation to promote responsible trade in fishery products through, inter alia, APEC's TILF initiatives;
Encourage capacity building for food safety through such measures as the development of equivalent standards for capture fisheries and aquaculture products and on the use of HACCP (Hazard Analysis and Critical Control Points);
Promote improved regional science collaboration and coordination to develop and facilitate ocean observing, assessment and forecasting systems, rapid response mechanisms for extreme weather and climate events;
Cooperate with economies and relevant regional institutions to develop marine scientific research capacity with respect to a range of issues including bio-prospecting and non-living marine resources;
Encourage the development of proposed and existing policies and regional research, education and training initiatives and welcome the establishment of AMETEC by Korea;
APEC Response

Continue to improve the cooperation and coordination between APEC fora with marine-related activities, such as the Marine Resource Conservation, Fisheries, Transport, Tourism, Industrial Science and Technology, and Energy working groups;
Instruct the Marine Resources Conservation Working Group, Fisheries Working Group and other relevant APEC fora to develop and implement the policy goals enshrined in this Declaration and to report on progress to APEC Senior Officials;
Accelerate ocean outreach programs accommodating relevant stakeholders in APEC fora;
Welcome the kind offer by Indonesia to host a second AOMM.
APEC Contribution to World Summit on Sustainable Development and its Follow up

Take into account this Declaration in their preparations for the World Summit on Sustainable Development; and
Build on the importance of the contribution APEC is making to food security, sustainable development and poverty alleviation, which reflects APEC's regional approach to the broad global agenda of the WSSD.

**3rd APEC Transportation Ministerial Meeting
Lima, Peru
6-9 May 2002**

Connecting APEC: Pathways to Prosperity

JOINT STATEMENT

For the third time, the APEC Ministers responsible for Transportation have met to exchange views, and consider options for continued progress toward achieving our Economic Leaders' Bogor Declaration Goals, especially the goal to achieve free and open trade and investment in Asia-Pacific by 2010/2020. Our meeting took place at a critically important time for the Region's transportation industry as it attempts to cope with the impacts of the terrorist attacks of September 11, 2001. Accordingly, we paid particular attention to enhancing regional cooperation on safety and security, while at the same time considering ways and means of reducing impediments to trade and investment, including through liberalizing transportation services as well as economic and technical cooperation, and human capacity building.

First in Washington DC, United States of America in 1995, and then in Victoria, Canada in 1997, we developed a constructive and forward-looking approach to addressing transportation impediments in the APEC region. This has resulted in substantial progress on issues relevant to transportation and trade.

At this, and our previous two meetings, we have benefited from an open dialogue with senior representatives of the region's transportation industry. We appreciate the interest of those public and private sector industry representatives who joined with us in Lima, Peru. We acknowledge the continued importance of industry in all efforts to improve transportation in the region and call upon industry and our officials in the Transportation Working Group to continue to work together to reach the desired goals of continued economic development and prosperity for all APEC economies. In this regard, we commend the Group for its initiative in expanding the guest participation of several intergovernmental and non-governmental transport organizations in its regular meetings, and expect that this cooperative approach will continue in the future. We expect the Group to encourage the participation in economy delegations of appropriate transport industry representatives wherever possible. Such partnership will ensure that the Group's work will continue to bring benefits to the providers and users of transport services in the region.

We note the report of the activities of the Transportation Working Group and express our satisfaction with the work that it has accomplished since our meeting in 1997. The Working Group is the instrument by which both APEC Leaders' and Ministers' goals and directions in the transport field are implemented collectively. The Transportation Working Group is to be commended for determining a strategic direction in 2000, aimed at facilitating the continued improvement of living standards throughout the APEC community by contributing to free and open trade and investment; economic and technical cooperation; human resources development; and the safe, secure, efficient and environment-friendly movement of passengers and goods throughout the region. At the working level, we expect that the Group will further develop its Operational Plan towards implementing APEC Leaders' and Ministers' goals and the strategic directions.

As the theme for our meeting suggests, transportation in the APEC region is key to economic development and prosperity in the region. A seamless and safe transportation system is important in the facilitation of trade, and the provision of basic services throughout any society. The trade and social goals of APEC cannot be pursued without consideration being given to transport issues in the Region. We therefore commit ourselves to 'connecting APEC', to strengthen the ability of APEC economies to prosper in the global economy through efficient, integrated and safe transportation.

On the 11th of September 2001, the world encountered the utterly unacceptable and vicious terrorist attacks, which occurred in the United States. We express our deepest and sincerest condolences to the victims and their relatives, which included the people of more than 80 economies. We condemn in the strongest terms, the misuse of any part of an economy's transport system or its infrastructure for acts of terrorism. There is no place in civilized society for the conversion of civil aircraft, vehicles, vessels and trains into weapons aimed at innocent targets. Therefore, in accordance with the

Leader's Statement on Counter-Terrorism, we fully support the actions and initiatives being taken by ICAO and IMO in aviation and maritime security and resolve to take all necessary measures to prevent a reoccurrence of such terrorist attacks.

Our priorities for the future:

In their annual statements since 1993, APEC Leaders have placed their principal emphasis on the voluntary achievement of comprehensive free and open trade and investment in Asia-Pacific, by various means including the removal of barriers and discriminatory treatment, promoting competition, and regulatory reform. We therefore reaffirm that the principal focus of cooperation in APEC is trade and investment liberalization and facilitation as well as economic and technical assistance, and resolve to continue to work towards that purpose, with the participation of the private sector. We accord an equally high priority to ensuring a safe, secure, efficient, integrated and environmentally sustainable transportation system for the Region, and that the capacity constraints of our transportation systems be dealt with as a high priority so our people, goods and services can move freely and work effectively throughout the economies. We also affirm the wish of APEC Leaders to build the 'human capacity' of people in the region.

Accordingly, we state our priorities for transportation as being:

- to eliminate barriers to a more competitive transportation operating environment across all modes, ensuring safe and sustainable transport complying with international safety and security standards;
- to promote economic and technical cooperation especially for developing economies, to assist them in achieving the Bogor Goals;
- to promote measures, taking into account advancements in technology, to enhance safety, security, environmental protection and energy efficiency;
- to promote timely rational investment in the region's transport infrastructure, and to encourage efficient use of existing infrastructure through the application of appropriate technology, trade and transport facilitation techniques;
- to cooperate to address institutional constraints affecting the efficient provision of transportation services in the region, including cross-border facilitation; and
- to build human capacity in productivity, skills and efficiency of labor and management in the transport sector.

To accomplish this we will move positively forward in the areas of more competitive transportation, safe and environment-friendly transportation, and human resources development. In the following paragraphs we review the leading accomplishments of the Transportation Working Group, state our objectives for the future, and provide a mandate for the Group to implement our objectives in the above areas, as follows:

More Competitive Transportation

We note the progress of the Transportation Working Group in its work towards developing recommendations for achieving more competitive air, intermodal and maritime transportation, together with work on electronic commerce, port efficiency and road transport harmonization. We endorse the continuation of that work, together with new work to identify non-tariff measures in the transport sector, and facilitate trade.

In accordance with our determination to make progress in trade and investment liberalization and facilitation in the transport sector, the focus of the Transportation Working Group must continue to be the identification of barriers to market access and other institutional constraints upon the natural growth of more competitive transport services. Together with the development of appropriate policy recommendations and an economic and technical cooperative mechanism to address impediments, the Group can positively assist economies in their implementation of transparent and equitable competition policies that will achieve the Bogor Goals. Such work should not be seen as a series of 'one off' exercises but more a continuum of inter-related activities leading to a successful conclusion. The Group should regularly monitor the status of implementation in economies, including through the Individual Action Plan (IAP) process, and where appropriate, revise or renew its work.

While not limiting the ability of the Transportation Working Group to use its initiative in future, we:

welcome the progress made towards implementing the Group's recommendations for more competitive air services with fair and equitable opportunity in accordance with our Leaders' declarations of 1999 and 2000. We look forward to active continuation of the excellent results achieved on a voluntary basis including a bilateral and/or plurilateral approach. We look forward to receiving annual reports which will also be sent to APEC Ministers, and Leaders through Senior Officials Meetings. We instruct the Group to continue to develop for voluntary implementation by economies, recommendations for more competitive air services with fair and equitable opportunity; commend and endorse the Group's initiative in developing a project identifying non-tariff restrictions to trade in the transport sector, and developing a best practice model which can serve as a guide to the elimination or reduction of the existing barriers;

commend and endorse the activities to date by the Maritime Initiative (MI), including the elaboration of a Maritime Mission Statement, and encourage the MI to proceed with further activities seeking more competitive maritime transport, such as: promotion of mutual understanding; facilitation of WTO negotiations; regional liberalization and technical cooperation;

commend the work of the Road Transport Harmonization Project (RTHP) and endorse the efforts of economies to harmonize their vehicle regulations, in a manner consistent with improved safety and environmental protection, and through participation in the activities of the United Nations' World Forum for the Harmonization of Vehicle Regulations, including accession to the 1958 Agreement and/or the 1998 Global Agreement;

endorse the Principles of Automotive Technical Regulations Harmonization developed jointly by the RTHP and the Automotive Dialogue of the APEC Committee on Trade and Investment, and encourage, where appropriate, mutual recognition arrangements for the certification of automotive products by using the Model Mutual Recognition Arrangement developed by the RTHP;

welcome the Group's successful electronic commerce work; endorse the target of eliminating the requirements for paper documents (both regulatory and institutional) for the key messages relevant to international transport and trade by 2005 for developed, and 2010 for developing economies, or as soon as possible thereafter; and encourage the Group to continue to assist economies with appropriate advice and capacity building projects towards this achievement;

commend and endorse the work completed by the Port Experts Group (PEG), including the development of an APEC Port Database. We also encourage the PEG in its work to improve port capacity and operational efficiency; and

note that the Group has already considered earthquake countermeasures in relation to port operations, acknowledge that natural disasters are a recurring concern in several economies, and request the Group to consider further prevention and recovery or mitigation work to tackle impact of natural disasters across all modes when developing its Operational Plan.

Safe and Environment-friendly Transportation

We commend the progress of the Group in the areas of enhancing safety, efficiency, security and in facilitating transportation and trade. We note the progress of its work on safety and security across all modes, including environmental considerations and the adoption of new technologies such as Satellite Navigation and Communications (SN&C) systems, and Intelligent Transport Systems (ITS). We understand that SN&C and ITS can contribute much to the Region's most significant transportation needs relating to saving lives, time, money, energy and the environment through more effective use of the existing transportation systems and related infrastructure. We endorse the continuation and development of that work with emphasis placed on the recognition of the fast pace of technology advancements, taking advantage of the benefits which will accrue to the transportation industry.

We reiterate our ambition, first expressed in Washington DC, for achieving harmonization of transport regulatory practices, or where applicable, mutual recognition or reciprocal acceptance of such practices. We and the transportation industry have a shared interest in streamlining, and ultimately removing requirements for 'multiple' certification of carriers engaged in transport services between economies, or of organizations providing repair and maintenance services for carriers based in other economies. This should be accomplished in a manner consistent with international safety and security standards. This cannot, and should not, be regarded as only a governmental responsibility. The region's transport operators, users, and service providers also have a stake in ensuring safe and sustainable transport complying with international safety standards. By working together we can identify areas for industry-government cooperation for our mutual safety benefit.

Without limiting the ability of the Transportation Working Group to use its initiative in the future, we:

commend the work of the Group in preparing a framework for the development of standards for implementation of ITS in economies and addressing ITS interoperability and standards issues in the Region. We note that aspects of this work are being coordinated with the Group's work on intermodal transport and electronic commerce;

commend the Group's work on Satellite Navigation and Communications Systems and its intentions to facilitate the implementation of rapidly evolving SN&C systems in the Region. We agree to collectively support, in the World Radiocommunications Conference in 2003, the retention of the current frequency spectrum for the exclusive use of aeronautical radionavigation and radionavigation-satellite services, ensuring safe and sustainable transport complying with international safety standards;

recognize the efforts of the International Civil Aviation Organization and the international aviation community to encourage the implementation of Global Navigation Satellite Systems (GNSS) to promote aviation safety and efficiency. We also endorse the continuation and development of that work especially the implementation of GNSS for all transportation modes and its use by other industries. To that end, we fully support the Group's establishment of the GNSS Implementation Team and its role in facilitation of the implementation of satellite based navigation and timing capabilities in all economies, including the development of space based augmentation systems (SBAS) and ground based augmentation systems (GBAS), including regional augmentation systems;

commend the Group's work in transportation security, and its swift reaction to APEC Leaders Shanghai Statement on Counter-Terrorism. We endorse its efforts to strengthen and harmonize the aviation security framework, and to promote international cooperation among appropriate entities for the suppression of piracy and armed robbery;

encourage cooperation among economies to improve aviation safety and security oversight capability in the region by assisting economies to meet international safety standards, and that official aviation personnel are properly trained and have the necessary resources to carry out their aviation responsibilities;

encourage APEC economies to work within appropriate international fora for the purpose of further strengthening the security standards that apply to international transportation; and

encourage APEC economies to accelerate their implementation of transportation security standards adopted within ICAO, IMO and other international organizations.

commend the Group for its efforts to identify major road transportation safety problems as a first step to improve road safety in the APEC region, and recognize the importance of the improvements in road safety and environment as one of the Group's priorities; encourage the Group to consider enhancing its work by seeking cooperation with public and private sectors to address road safety as well as environmental concerns through, among other things, development of economically feasible and highly effective measures, and assisting economies to implement these measures;

commend the Group's work on Intelligent Transportation Systems, including the report on a framework for the development of standards previously submitted to us, and direct it to address ITS interoperability and standards concerns in the region;

direct the Transportation Working Group to establish a project that will demonstrate the effectiveness of ITS technology and facilitate development of ITS standards that enhance interoperability amongst economies. The project should include elements of tracking container freight movements through intermodal port facilities and to their ultimate destination and the provision of port clearance through customs using E-commerce;

commend the work of the Experts Group on Maritime Safety (EGMS) in promoting safety in the Region, note that the group held the International Symposium on Safer Shipping in the APEC Region in Sydney, Australia in 2001, and direct the group to take into account the recommendations arising from the Symposium in the future work of the group with respect to maritime safety and security issues;

Human Resources Development

APEC Ministers and Leaders, concerned to see globalization as an opportunity for all, have endorsed 'capacity building' across the broad range of APEC activities, with a particular emphasis on human resources development, including skills development and technological upgrading. Leaders have also developed a framework for the integration of women in APEC. We acknowledge the efforts of the Transportation Working Group to meet the thrust of these top-level initiatives, as well as our own prior directives. We expect the Group to develop projects to address specific training and education needs, enhance the mobility of transport professionals in the region through mutual recognition, and assist the full integration of women in the transport sector.

Without limiting the ability of the Transportation Working Group to use its initiative in future, we:

commend the work of the Group in developing a gender 'toolkit' to make it easier for the Group to implement APEC Leaders' objectives through the women's framework. We expect the Group to apply the women's framework at all stages of its work on HRD;

commend the Group for its work towards developing a model mutual recognition framework for recognition of transport professional qualifications, and encourage economies to enter into such arrangements when this work is completed;

commend the work of the Group in identification of seafarers' training needs and training towards compliance with the international Convention on Standards of Training, Certification and Watchkeeping for Seafarers; and

commend the group for its work with respect to intermodal skills development and training and endorse plans to hold an intermodal transportation symposium.

Closing Remarks

We commend the Group for developing an operational plan and we instruct it to take into account in its future work program calls by our Leaders in the Shanghai Accord to promote sustainable development and narrow disparity by ensuring the effective implementation of various economic and technical cooperation initiatives.

We agree to meet again in Bali, Indonesia in 2004 and we instruct the Group to provide an annual progress report on the implementation of our priorities listed in paragraph 8.

Finally, Ministers thank the Government of Peru for hosting the 3rd APEC Transportation Ministerial Meeting and for the warm hospitality provided. They also thank the Chair for the efficient management of the meeting and the APEC Secretariat for the supportive work.

**MEETING OF APEC MINISTERS RESPONSIBLE FOR TRADE
PUERTO VALLARTA, MEXICO
29-30 MAY 2002**

STATEMENT OF THE CHAIR

APEC Ministers Responsible for Trade met in Puerto Vallarta, Mexico, to discuss concrete ways to contribute to fostering economic growth and take advantage of the New Economy in the APEC region, namely the implementation of appropriate policies and measures that should be adopted to reach those objectives.

The meeting took place in a context of increasing signs of recovery from the global slowdown of the world economy experienced since the middle of 2000 and aggravated by the September 11th events. Within this context, Ministers reaffirmed APEC member economies' commitment to move forward with the common goal of free and open trade and investment in order to bring about economic recovery and sustainable economic growth in the region.

APEC chose the theme "Expanding the benefits of cooperation for economic growth and development. Implementing the vision", to guide its work this year. Ministers expressed their determination to ensure concrete outcomes that benefit business and the wider APEC community through implementation of the Shanghai Accord and the Leaders Statement on Counter-Terrorism.

Ministers welcomed the launching of the Doha Development Agenda (DDA) of WTO, and committed to making meaningful contributions to its successful and timely completion by 2005. Discussion on specific measures undertaken within APEC to implement the broadened APEC vision in response to changes in the global and regional economy also took place.

Multilateral Trading System

Ministers welcomed the launch of the WTO Doha Development Agenda (DDA) and noted the important role that APEC played in achieving this outcome. Multilateral trade liberalization and a rules-based trading system contribute directly to economic growth, sustainable development and poverty reduction. The successful conclusion of the DDA will therefore be crucial in fostering development in the region and the world. Ministers welcomed the DDA's balanced and sufficiently broad-based work program that reflects the interests and concerns of all WTO members, particularly in developing economies. Ministers acknowledged the important contribution that the successful and timely conclusion of the DDA would make to furthering the economic development of developing economies.

Ministers committed their personal involvement to ensure the completion of the DDA negotiations by the agreed deadline of 1 January 2005 and to make progress in all the elements of such agenda including market access, agriculture, trade rules, investment, competition, trade facilitation and transparency in government procurement.

To achieve that commitment, they agreed to meet the mandates and schedules established for all of the relevant negotiating and working groups and to urge other WTO Members to also do so. In particular, Ministers confirmed their intentions to meet the deadline of 30 June 2002 for submitting initial services requests and in ensuring that the non-agricultural market access negotiations progress along with other negotiations in agriculture. In this regard, Ministers agreed that modalities for non-agricultural market access negotiations shall be established no later than 30 April 2003, and will encourage all WTO members to support this commitment. They expressed the urgency of moving from procedural to substantive discussions in Geneva. They undertook to work together to build momentum in Geneva to ensure a successful Fifth Ministerial Conference to be held in Cancun, Mexico on 10-14 September 2003.

Ministers reaffirmed their pledge to reject the use of protectionism and their commitment to abide by multilateral rules. Ministers agreed that protectionism adversely affects all APEC economies and that the DDA offers the best opportunity to address protectionism on a global basis.

Ministers noted the discussions on trade and environment since Doha. They welcomed the opportunity to enhance the mutual supportiveness of trade and environment. Ministers reaffirmed that

the WTO work and negotiations on the relationship between trade and environment shall be in accordance with the mandate agreed at Doha.

Ministers welcomed the accession of China and Chinese Taipei to the WTO and supported the accession processes of Russia and Viet Nam.

Ministers appreciated the participation of the WTO and the World Bank at the meeting.

a) Technical Assistance and Capacity Building

Ministers agreed that technical assistance and capacity building are essential in ensuring the full participation of developing economies in the world trading system and so that they reap the promised tangible benefits from such participation. Ministers reaffirmed APEC's commitment to continue providing WTO-related technical assistance and capacity building, agreed that the provision of this assistance should be demand-driven and encouraged developing economies to be pro-active in identifying their needs in this area.

Ministers noted that APEC is leading efforts to ensure that developing economies are able to participate fully in the DDA. In addition to the APEC Strategic Plan for WTO Capacity Building and contributions to the WTO Global Trust Fund, APEC economies are providing significant bilateral assistance. APEC economies, including Australia, Canada, Japan, New Zealand and the United States provided more than US\$ 70 million in trade-related technical assistance within APEC alone in 2001.

Ministers appreciated the WTO's work on technical assistance and capacity building and urged that the complete data base of WTO Members' capacity building programs be developed in time for the July 2002 meeting of the Trade Negotiating Committee.

Ministers reviewed progress in implementing the APEC Strategic Plan for WTO Capacity Building. In 2001, a total of 12 WTO-capacity building projects, worth over US\$1.2 million, were funded through the APEC TILF fund. Ministers instructed Senior Officials to give high priority to additional WTO capacity building projects this year.

Ministers also stressed the need for the continued involvement of other international organizations such as the WTO Secretariat, the World Bank, and the Asian Development Bank in the APEC Strategic Plan for WTO Capacity Building. In this context, they welcomed the new capacity building program by the Asian Development Bank, in cooperation with Japan.

Ministers welcomed efforts led by Japan to better coordinate WTO capacity building in APEC through the compilation of a series of economy matrices highlighting all assistance delivered by APEC economies to other APEC economies. Ministers also welcomed efforts by Canada to make this information available on-line via a user-friendly system that will allow donor economies to better coordinate their capacity building efforts and focus them in areas where needs are most pressing. Every effort will be made to integrate this information in the database that the WTO Secretariat is currently developing.

b) Confidence building

APEC has played a key role in strengthening the multilateral trading system in the past. The challenge now is to continue to do so with actions that go beyond technical assistance and capacity building. APEC is well placed to build confidence on a broad range of issues in the DDA.

Ministers explored concrete steps in which APEC can contribute to a successful Fifth WTO Ministerial Conference and completion of the DDA by 1 January 2005, and directed Senior Officials to present recommendations on such steps by the Leaders' meeting, including in areas such as investment, competition, trade facilitation, transparency in government procurement and trade and environment. In this context, Ministers welcomed the CTI Trade Policy Dialogue on Investment held during SOM II and those to be organized in the future on Trade and Competition Policy and Trade Facilitation.

Implementation of the Shanghai Accord

Ministers pledged robust implementation of all elements of the Shanghai Accord. They reaffirmed the importance of the Shanghai Accord as a milestone in APEC that expands the vision of APEC, provides for improved mechanisms for implementing APEC commitments, and identifies important trade initiatives.

a) Broadening the OAA

Ministers agreed that broadening the Osaka Action Agenda (OAA-APEC's strategic roadmap) to reflect fundamental changes in the global economy since Osaka, including developments in the new economy and APEC work to strengthen the functioning of markets, would put APEC on a faster track to achieving the Bogor goals of free and open trade and investment. Ministers encouraged Senior Officials to continue their work in this area, endorsed the interim report presented by Officials and looked forward to reviewing a full report in October.

b) Pathfinder Initiatives

Ministers recognized the role that pathfinder initiatives could play in achieving the Bogor goals of free and open trade and investment.

They welcomed the work of APEC Fora to identify and develop pathfinder initiatives. They instructed officials to continue this work with a view to presenting initiatives to the Ministerial and Leaders' Meetings in October this year.

c) Trade Policies for the New Economy

Ministers emphasized the positive impact of the new economy on growth and development. In this regard, Ministers welcomed Officials' work to identify key trade policies on services liberalization and tariff and intellectual property regimes that support the new economy, and reviewed their report on the exchange on trade policy information in these areas. They urged all economies that have not yet submitted information to do so as soon as possible.

Ministers recalled that the Shanghai Accord foresees the development of targets by the Ministerial Meeting in October on the basis of the information exchanged, and instructed Officials to complete their information exchange, and develop targets that APEC members may achieve in these areas. Ministers also stressed the need to develop and implement concrete capacity building programs to improve performance in these policy areas.

d) Trade Facilitation Principles

Ministers recognized that some of APEC's most important work and outcomes fall in the area of trade and investment facilitation, including the APEC Trade Facilitation Principles.

Ministers congratulated Officials for developing a framework and schedule for an APEC Trade Facilitation Action Plan and endorsed this Plan in its entirety. They recognized that this Action Plan provides the basis for implementing the Leaders' commitment in the Shanghai Accord to realize a 5% reduction in transaction costs in the region by the end of 2006.

Ministers emphasized that it is important for all economies and APEC Fora to begin taking the necessary steps to implement the Action Plan, starting with the development by the next Senior Officials meeting of a menu of options of concrete trade facilitating actions and measures that can be taken, and they noted that economies and Fora will commence actual implementation of selected actions and measures starting next year. Ministers reaffirmed Leaders' directive to implement the Action Plan in close partnership with the private sector, including ABAC, to ensure that actions taken truly cut costs for business.

Ministers encouraged participation by the private sector and officials responsible for customs, standards, e-commerce and business mobility issues in an upcoming workshop on "Implementing the APEC Trade Facilitation Principles" to be organized by Canada; Hong Kong, China and Thailand in Bangkok later this year.

Ministers recognized the need for partnership with other international organizations in APEC's capacity building work on trade facilitation, and in this regard, welcomed the project "Assessing the Economic Benefits of Trade Facilitation in APEC and Recommendations for a Coordinated Capacity Building", being developed by APEC and the World Bank which will provide insights on the economic benefits of trade facilitation and clear recommendations for furthering APEC's capacity building work. They also welcomed an Australian study that will promote APEC best practice in the implementation of trade facilitating reforms.

Ministers welcomed Indonesia's announcement that it would join the APEC Business Travel Card scheme. Business travelers from 13 economies will now benefit from streamlined travel to entry into and departure from participating member economies.

Ministers welcomed the announcement by Australia and Singapore that they will become the first economies to sign onto stages II and III of the APEC electrical MRA, and New Zealand's intention to apply shortly. They encouraged other APEC economies to follow suit. Also Ministers welcomed the cross-border paperless trading initiative spearheaded by Chinese Taipei and co-sponsored by Australia; Hong Kong, China; Japan and Singapore.

e) Transparency Principles

Ministers recalled Leaders' directive last year to pursue implementation of APEC's Transparency Principles and reviewed the work in progress. Ministers instructed officials to reinforce such work to strengthen business confidence in APEC and to deliver a set of transparency principles for adoption by Leaders in October.

f) Individual Action Plans (IAPs)

Ministers reaffirmed their commitment to take the actions outlined in their respective IAPs to achieve the Bogor goals. They pledged to continue to improve IAPs and make them more understandable to the public, recognizing that APEC's relevance to the public and, particularly, the private sector is crucial for forward progress. Ministers endorsed the preliminary plans for IAP Improvement in 2002 submitted by respective member economies and encouraged economies to keep up individual efforts to liberalize and facilitate trade and investment in order to achieve such goals.

Ministers welcomed progress in APEC to strengthen the IAP Peer Review Process, bearing in mind that an implementation mechanism is credible only if coupled with monitoring and assessment procedures. The involvement for the first time of outside expertise and the greater role to be played by the private sector are expected to help ensure that reviews of IAPs are rigorous and meaningful. Ministers commended Japan and Mexico for volunteering to be first in submitting their IAPs for review under the new approach, and welcomed Australia; Canada; Hong Kong, China; Korea, New Zealand and Thailand's offer to submit theirs in 2003 and Chile, Peru and Singapore in 2004. They also encouraged other member economies to submit their IAPs for peer review in the future. Ministers also welcomed Senior Officials discussion for the report of peer review sessions being posted on the APEC website for public viewing.

f) Collective Action Plans (CAPs)

Ministers welcomed the progress report on the review and evaluation of CAPs implementation and their effectiveness in achieving the Bogor goals.

The meeting reviewed progress in the CAPs process with a view to increasing its relevance for the business sector and producing tangible deliverables on trade in the region, as agreed at MRT last year. Ministers noted the benefits that will arise from adoption of the revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures and called upon those member economies yet to do so, to adopt the Convention at the earliest opportunity.

Ministers also discussed ways to improve IPR enforcement, including Japan's proposal to establish an IPR Service Centre Network, and instructed Officials to continue their discussion in order to report the proposal of appropriate mechanism by next Ministerial Meeting. Ministers called on APEC members to encourage wide participation from business sector in the upcoming "APEC Seminar on Venture Capital and Start-up Companies" to be held in Beijing in December this year.

New Economy

a) Implementation of e-APEC Strategy for the New Economy

Ministers acknowledged the role that ICT has in the return to economic growth. They reaffirmed the importance of implementing appropriate policies to foster the use of ICT and spread the benefits of the new economy. Ministers confirmed APEC's commitment to the implementation of the e-APEC strategy, and welcomed the preliminary report by the e-APEC Task Force on its implementation.

b) Electronic Commerce

Ministers acknowledged the role of ICT in reducing the costs of trade and investment. They welcomed the progress on implementing APEC's paperless trading targets as recorded in the Paperless Trading IAPs submitted by Australia; Hong Kong, China; Indonesia; Japan; Korea; Mexico; Chinese Taipei; Thailand; and Viet Nam. Ministers urged economies to take further steps to implement APEC's paperless trading goals.

Ministers welcomed China's initiative to hold an APEC e-commerce Fair in Yantai, China, in April 2003 and called on all APEC member economies to encourage wide participation in this event by government officials and by the business and academic communities.

Ministers welcomed Chinese Taipei's progress report on Phase II of the project Transforming the Digital Divide into a Digital Opportunity, which will be implemented in 2002.

Economic Growth

a) Strengthening the Functioning of Markets

Ministers reaffirmed that APEC's efforts to strengthen the functioning of markets are fundamental to building business and investor confidence and in ensuring that economies can take full and sustained advantage of the opportunities and benefits offered by open markets. Ministers welcomed the work that APEC has undertaken, including efforts in the Finance Ministers process, on strengthening markets and economic and corporate governance.

In particular, Ministers welcomed Peru's outcome report on the Second Workshop of the APEC-OECD Cooperative Initiative on Regulatory Reform, and Japan's progress reports on Strengthening Economic Legal Infrastructure including the second SELI Symposium to be co-hosted with Australia and Indonesia in July in Jakarta, and SME and New Business Support. They encouraged APEC economies to continue to make real strides in implementing APEC's Principles to Enhance Competition and Regulatory Reform, as well as the range of other work in APEC on strengthening economic legal infrastructure and improving corporate governance practices

b) Small Business

Ministers welcomed the release of the joint APEC study "Small Business and Trade in APEC". Ministers noted the key role played by small business, including micro-enterprises, in promoting export growth in developed and developing economies, and in underpinning economic and employment growth and development. On average in APEC, small businesses make up over 98% of all enterprises, account for 30% of direct exports (estimated at US\$930 billion), 10% of foreign direct investment by value and 60% of private employment. Ministers noted the importance for APEC of the key findings of the study, which found that progress in APEC on trade facilitation and the removal of non-tariff barriers could result in small businesses increasing their exports by US\$1.18 trillion over the next five years. The study underscores the fact that APEC's agenda is one that is increasingly relevant and important to maximizing the potential of small business in the region.

Counter-Terrorism and Trade Facilitation in APEC

Terrorism, in all its forms, is a threat to economic stability in APEC, as well as a threat to regional peace and security. As APEC Leaders noted in their Statement on Counter-terrorism in Shanghai last year, terrorism is a direct challenge to APEC's vision of free, open and prosperous economies. Acknowledging the threats posed by terrorism, APEC Ministers reaffirmed the need for full implementation of the APEC 2001 Leaders' Statement on Counter-terrorism.

Ministers reviewed an interim report prepared by the APEC Secretariat on APEC measures taken in response to the APEC 2001 Leaders' Statement on Counter-terrorism. Ministers noted the substantial progress already made in implementing specific Leaders' commitments to suppress the financing of terrorism, enhance air and maritime security, strengthen energy security, strengthen critical sector protection and enhance security-related cooperation on customs and border security. Ministers called on all relevant APEC working groups and sub-fora to intensify their efforts in response to the Leaders' Statement, including through policies and measures to increase economic growth, as well as to ensure a stable and safe environment for trade, investment, travel and tourism.

Ministers noted the range of substantive domestic counter-terrorism measures implemented by individual APEC economies, as detailed in the APEC Secretariat's interim report, and the efforts of relevant APEC economies to cooperate fully to counter-terrorism in other international fora, particularly the United Nations and through implementation of UN Security Council Resolutions 1373 and 1368. Ministers agreed that APEC economies should continue their efforts in this regard.

The collective and individual efforts of APEC economies have limited the economic fall out from the September 11 attacks and strengthened the resolve of Ministers to push ahead with APEC's ambitious trade and investment liberalization and facilitation agenda. Ministers noted the importance of achieving the twin goals of enhanced security against terrorist threats and continued facilitation of the movement of goods, capital and people, and instructed APEC Officials to identify priority programs to contribute to those goals for implementation by the meeting of the Leaders in October. Calling for "mentor economies" to help others enhance their capabilities to fight terrorism, they also instructed Officials to explore how to best provide capacity building assistance to developing economies.

Outreach

a) Dialogue with ABAC

ABAC plays a unique role by providing advice on concrete initiatives that APEC should adopt to improve the business environment in the Asia Pacific region. Ministers welcomed the presentation and discussion of ABAC's pre-report on its recommendations to Leaders. Ministers committed to consider them seriously and to strive to deliver concrete outcomes by the Leaders' meeting in October. They emphasized the need to continue strengthening the relationship between government and private sector. Ministers recognized that the report contains new recommendations for timely cross-cutting issues such as global security, technology, finance, business facilitation, SMEs, and the monitoring of APEC Individual Action Plans, as well as important recommendations from previous years that APEC continues to address.

Ministers noted the proposal made by ABAC to develop a flagship Trans-Pacific multimodal transportation corridor, an initiative to build up a modern multimodal corridor between North America and Asia.

Ministers instructed officials to review and where appropriate pursue the implementation of recommendations contained in the pre-report of ABAC.

b) Automotive and Chemical Dialogues

Ministers welcomed the reports on the Fourth Automotive Dialogue held on 16-19 April 2002, and on First Chemical Dialogue held on 22-23 May 2002.

Concerning the automotive dialogue Ministers welcomed the decision made by the United States to embark on an informal peer review discussion process and commended Japan and Korea for their offer to undergo a similar "peer discussion" process at the next Steering Committee meeting. Ministers encouraged other economies to do so too.

Ministers took note of the recommendation to use the revised Principles of Automotive Technical Regulation Harmonization to guide their harmonization and regulatory programs, and also noted the letter sent by the Dialogue Chair to the WTO Director General, Mike Moore, expressing the Dialogue's interest in the new round and its possible contributions to it.

Ministers thanked Australia for its excellent contribution as the Automotive Dialogue's Chair and welcomed Indonesia as the incoming Chair.

Ministers endorsed the recommendation of the First Chemical Dialogue that, following its adoption by the United Nations this year, as many APEC economies as possible implement on a voluntary basis, the Global Harmonized System on hazard classification and labelling of chemicals and safety data sheets by 2006, and encouraged officials to work in that direction, including through capacity building.

c) Dialogue on Globalization and Shared Prosperity

Ministers welcomed the successful outcomes of the APEC Dialogue on Globalization and Shared Prosperity, held on 26 May 2002 in Merida. They acknowledged the importance of good domestic economic reform policies, sound institutions and skills development in promoting economic growth. They noted the Dialogue's focus on the importance of the social dimension of globalization, and on the need for appropriate measures to help people adjust to new circumstances and acquire the learning and skills needed to thrive in the New Economy. Ministers also acknowledged the need for social safety nets that cushion the impact on workers displaced by economic change and that facilitate resumption of employment and protection of affected families. They called for communication strategies to disseminate and make understandable to all stakeholders the benefits and challenges.

**The Fifth APEC Ministerial Meeting on
Telecommunications and Information Industry
(TELMIN5)**

(29-30 May, 2002 Shanghai, China)

Shanghai Declaration

We, APEC Ministers responsible for the telecommunications and information industry, gathered in Shanghai, China from 29 to 30 May 2002 under the theme "Leveraging Digital Opportunities to Promote Common Development",

observing that information and communications technologies (ICT) have promoted significantly the availability and dissemination of knowledge to the public on an unprecedented scale and made a great impact on the economic development, governmental activities and social progress of our region;

recognizing that with the slowdown of the world economy and the reduced growth of the network-based economy, the global telecom market and the ICT industry have been severely affected and are undergoing significant restructuring;

remaining confident that the future of the ICT industries is promising, full of vigor and vitality and essential to the continued development and growth of the APEC region;

embracing the APEC Economic Leaders' Declaration entitled "Meeting New Challenges in the New Century" issued in Shanghai on 21 October 2001, in which APEC Economic Leaders:

reaffirmed their commitment to achieving the Bogor Goals of free and open trade and investment in the Asia Pacific by 2010 for developed economies and 2020 for developing economies;

further reaffirmed the importance of Economic and Technical Cooperation (Ecotech) in achieving equitable growth and sustainable development, welcomed the progress that APEC has made in advancing Ecotech goals and underscored that Trade and Investment Liberalization and Facilitation and Ecotech should be mutually reinforcing;

noted progress through the e-APEC Strategy and set the goal of building APEC towards a digital society, with higher growth, increased learning and employment opportunities, improved public services and better quality of life by taking advantage of advanced, reliable and secure ICT and networks and by promoting universal access;

emphasized the importance of sound economic policies and corporate governance as well as important role and responsibility of governments in shaping the legal and regulatory framework that encourages competition and innovation, with increased emphasis on capacity building;

acknowledged that trade and investment liberalization and facilitation hold a key to realizing the vision for reduced disparities and common prosperity;

strongly supported the launch of the new WTO round, recognizing that the current slowdown in the world economy has added to its urgency;

asserting our commitment to facilitate the implementation of the e-APEC Strategy, work hand in hand to improve economic conditions and open up a broader prospect for the development of the Asia Pacific Region;

aspiring to promote a sound policy environment, better market structures and fair and effective market competition;

reaffirming our commitment to the five objectives and ten core principles in the Seoul Declaration endorsed at TELMIN 1 (1995) as essential for the construction and the expansion of the Asia Pacific

Information Infrastructure (APII) and the realization of the vision of the Asia Pacific Information Society (APIS);

emphasizing the need for economies to promote the development of advanced, secure and reliable information infrastructures so that everyone, including those disadvantaged by geography and income, can have access as soon as possible to advanced, high-speed and reliable technologies and applications of information and communications at affordable prices;

recognizing that competition has been a key factor underlying the rapid buildout of the Internet and encouraging continued rapid buildout of the Internet, including broadband access, and greater user within the economy of ICT, especially among Small and Medium-sized Enterprises (SMEs) and micro-enterprises;

noting the importance of the establishment of a partnership among governments, business and the academic community, and a new-type cooperation mechanism for human capacity building by promoting education and training services and encouraging innovation and the establishment and development of Small and Medium-sized Enterprises (SMEs) and micro-enterprises and their participation in activities of the New Economy;

confirming the importance of life-long human capacity development, for all age groups and both genders, in terms of providing more opportunities for training and skill development, improving the awareness, mastery, and application of ICT for the benefit of the people in the region;

mindful that the rapid technological advancement and convergence of the broadcasting, information technology and telecommunications sectors, require sharing of information and experience in approaches to policy and regulation amongst economies;

realizing that the participation of developing economies in all aspects of telecommunications and information would be enhanced through effective sharing of information and human resource development;

underlining our commitment to enhance the multilateral and bilateral cooperation in the APEC region in improving telecommunications regulatory policies, information and network security, and human capacity building, in order to facilitate business development, social advancement, and the further development of availability and use of ICT;

highlighting the need for the development and application of ICT by encouraging investment in the research and development of new technologies so as to build APEC towards a digital society with improved public services and better quality of life through advanced networks and ICT for all;

focusing on the need to leverage digital opportunity for common development by exercising leadership, government-private sector partnership, policy coherence, use of market forces, sustainability, and scalability to narrow the digital divide, and recognizing the goals endorsed by Leaders in Brunei Darussalam in November 2000 to triple Internet access in the APEC region by 2005, and to achieve individual or community-based services access to the Internet by 2010, through pursuit of the e-APEC Strategy and the implementation of TEL Digital Divide Blueprint for Action;

appreciating the need to popularize ICT and their applications, advocate digital life, promote web-based applications such as e-commerce and e-government, encourage the application of ICT in traditional industries, and improve the quality and efficiency of the economies through the use of ICT;

regarding that the enhanced participation of and cooperation with SMEs and the private sector will play a positive role in the sustained growth of the information and communications industries in the region;

welcoming the work that has been developing in global organisations since the adoption of the APEC Principles on International Charging Arrangements for Internet Services in the Cancun Declaration towards commercially based and equitable arrangements for Internet connectivity, reflecting, among other issues, traffic flows, costs and benefits;

recalling the APEC Economic Leaders' call for strengthening APEC activities in the area of critical sector protection, including telecommunications, made in their Statement on Counter Terrorism at Shanghai on 21 October 2001;

noting the TEL 's report on implementation of United Nations General Assembly Resolution 55/63 on Combating the Criminal Misuse of Information Technologies;

being conscious of the necessity for establishing a legal basis for combating the criminal misuse of information technologies;

being further conscious of the need for governments and the private sector to strengthen cooperation, information exchange and the voluntary transfer of technology related to security of information and communications infrastructure across the region;

highlighting the need to increase cooperation with relevant international fora to improve coherence in the work carried out by TEL and other relevant fora;

acknowledging and encouraging the effort made by TEL in its work on telecommunications market liberalization, mutual recognition of telecom equipment certification, e-government, e-commerce, interconnection, Internet charging arrangements, business and research models to promote greater deployment of ICT, human capacity building, security, authentication and the development and initial implementation of the Digital Divide Blueprint for Action;

HEREBY

ADOPT the Program of Action for the APEC Telecommunications and Information Working Group as attached as Annex A;

ADOPT the Statement on the Security of Information and Communications Infrastructures attached as Annex B; and

NOTE that this Program of Action and Statement on the Security of Information and Communications Infrastructures will contribute to the Action Plan to be considered at the APEC Economic Leaders Meeting to be held at Los Cabos, Baja California Sur., Mexico in October 2002.

**2002 APEC TOURISM MINISTERIAL
MANZANILLO DECLARATION: IMPLEMENTING THE APEC VISION
Manzanillo, Mexico, 3-6 July 2002**

The Second APEC Meeting of Ministers Responsible for Tourism was convened in Manzanillo, Colima, Mexico, from July 3-6 2002. The Meeting was attended by Ministers, or their representatives from: Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Peru; Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; United States; and Viet Nam. The APEC Secretariat attended the meeting. Also present was the Pacific Economic Cooperation Council (PECC). Ministers held a dialogue session with representatives from the World Travel and Tourism Council (WTTC) and the World Tourism Organization (WTO).

The Meeting was officially inaugurated by a message given by President Vicente Fox and was chaired by the Mexican Minister of Tourism, Mrs. Leticia Navarro Ochoa.

Ministers agreed to adopt the Declaration which unites the spirit of the group in order to continue working on the enhancement and the recognition of the important role that tourism plays in the economic, social and cultural development in all APEC member economies.

Ministers highlighted the importance of tourism as a key element in the promotion of peace and understanding amongst member economies, and called upon all APEC member economies and their tourism industries to include this message in their respective marketing campaigns.

Statements

During the Meeting the Ministers made the following statements:

We reaffirm our commitment to promote the development of a dynamic, prosperous, sustainable and safe tourism sector in the region, consistent with the objectives stated in the Osaka Action Agenda of trade and investment liberalization and facilitation, and economic and technical cooperation.

We pledge to continue cooperation in order to undertake concrete actions to promote tourism in the region in response to the call made by Leaders in Shanghai, China in 21 October 2001, for greater efforts to implement APEC's vision of liberalization and shared prosperity.

We believe that international cooperation is an essential approach to providing solutions to common problems, through dialogue and exchanging experiences in a peaceful atmosphere.

Tourism strongly contributes to narrowing gaps, strengthening friendships and building peace bonds amongst member economies.

The terrorist attacks of 11 September 2001 presented a new challenge to our work. APEC member economies are striving to meet this challenge. We note the underlying resilience of travel and tourism in the Asia-Pacific region, and welcome the recovery taking place in international tourism, as presented in statistics provided by the WTO and the WTTC.

In that light, we strongly affirm the APEC Leaders' Statement on Counter-terrorism concerning the collective resolve of the Asia-Pacific community to counter terrorism, and support actions taken by member economies and other fora to further improve the safety and security of travellers and the citizens of tourism destinations.

We will continue our efforts to enhance the safety and security of tourists, while recognizing that efficient and effective facilitation of travellers is vital to the continued growth of the industry.

We acknowledge the improvements in travel security undertaken since September 11th. These improvements have helped to enhance the safety and security of the travelling public in the APEC region.

We recognize the enormous potential in human, natural and cultural resources that exist in the Asia-Pacific region for developing and strengthening tourism activity. We pledge continued efforts to ensure that the region continues to be the fastest growing tourism market in the world.

We are aware that tourism represents a very effective way for economic, social and cultural development of the APEC region economies due to its proven ability to create jobs, generate foreign currency, efficiently use non-renewable resources, contribute to the promotion of culture worldwide, as well as to foster regional development.

We recognize that the people of our communities play a crucial role in the development of sustainable tourism.

We support the active involvement of all stakeholders - government and private - so that tourism can continue to contribute to the elevation of the standard of living of our citizens.

We reaffirm our commitment to the Policy Goals contained in the Seoul Declaration on the APEC Tourism Charter, and to support the work of the TWG in developing specific mechanisms to achieve them.

We are especially committed to: increasing the mobility of visitors, enhancing productive investment, strengthening the mechanisms that allow a better understanding of the tourism sector and fostering sustainable tourism development.

We recognize the important contribution that Small and Medium Tourism Enterprises make to our economic development. We will therefore seek to enhance the capacity of these enterprises to thrive.

We are pleased to note the deliverables identified by Tourism Ministers at the First APEC Tourism Ministerial Meeting in Seoul:

Sustainable Management of Tourism Outcomes - The APEC/PATA Code for Sustainable Tourism was developed as a reflection of the commitment to sustainable tourism development in the Asia and Pacific region. We commend the APEC/PATA Code for Sustainable Tourism to individual economies to guide their activities as they develop their own, more detailed, tourism policies.

Establishment of a Tourism Information Network (TIN) - The TIN is a mechanism through which information about tourism flows between member economies.

Research Network - The establishment of the APEC International Centre for Sustainable Tourism will serve to improve innovation, strategic knowledge of tourism related issues, and profitability and sustainability in tourism through applied research.

Best Practice on the Development of Tourism Satellite Accounts (TSA) The outcomes of this project serve as useful reference material for APEC member economies which do not have, but are keen to initiate a TSA in their own economies. It will also be a platform for sharing information and establishing contact among member economies in their efforts to develop a TSA.

We note progress made on the other projects designed to implement the Policy Goals of the Seoul Declaration on the APEC Tourism Charter.

Tourism Impediments Study - This project is being undertaken to identify possible measures for collective action. These measures are to include the encouragement of liberalization of services and trade related to tourism under the GATS, and removal of trade and regulatory impediments to tourism business and investment.

Application of Electronic Commerce to Small and Medium Enterprise in APEC Member Economies (SMTE) - This project will help SMTEs achieve competitive advantages by establishing a unique and authentic niche, and to contribute to APEC trade and investment liberalization and facilitation.

Best Practices on Tourism Accessibility for Travellers with Restricted Physical Ability (RPA) – This project aims to promote greater accessibility to tourists with restricted physical abilities.

Training for Sustainable Development in the Tourism Industry - This project will deter unscrupulous development, be able to use effective and systematic methods for conservation and preservation, reduce discord between related communities, and achieve mutual cooperation. This project is to contribute to the implementation and enforcement of internationally agreed upon quality and environmental standards.

Public-Private Partnership for Sustainable Tourism - This project devises plans for the economic development of communities resulting in welfare both to the region and nation, and to implement a uniform development policy.

Tourism Occupational Skills Development - The objective of this project is to develop a model infrastructure as a common platform for the development of a tourism and hospitality business system based on industry competency standards. To develop a model of bilateral agreements between economies that will allow recognition and articulation within the tourism and hospitality industry based on competency standards.

We note that the deliverables and the projects outlined above constitute an ambitious Collective Action Plan for the TWG and we encourage the group to bring these to conclusion.

We welcome the Individual Actions Plans (IAP) presented by 16 member economies, and commend efforts to achieve the objectives of the Seoul Declaration on the APEC Tourism Charter through IAPs. Ministers encourage their colleagues to engage in bilateral discussions to further develop Action Plans to achieve the Policy Goals.

We appreciate the initiative of the Chair to integrate private sector participants into our meeting. We welcomed the presentations of the WTO, WTTC, Pacific Asia Travel Association and the CNET (Mexican National Business Council), and appreciated the opportunity to exchange views on key

issues affecting the sustainable development of tourism with these private sector representatives. We reaffirm our view that dialogue and cooperation with the private sector should be continued, expanded and deepened for the development of tourism in the APEC region.

We reaffirm to move as quickly as possible to express our support for the establishment of the APEC International Center for Sustainable Tourism.

We adopted the following new initiatives:

Capacity building for small and medium tourism enterprises

Safety and security measures for travellers

Encouraging productive investment in the tourism sector

Index for measuring tourists' satisfaction

and instruct the TWG to take action to pursue their implementation at the 21st TWG meeting to be held in Chinese Taipei.

We recognize the important work being carried out by other APEC fora and the potential benefits of this work for tourism. We encourage the TWG to foster closer cooperation with fora that are engaged in human resources development, transportation, mobility of people, customs procedures and other relevant issues.

We welcome Chile's invitation to host the Third APEC Meeting of Ministers Responsible for Tourism in 2004.

We recognize the valuable supporting role played by the APEC Secretariat in the promotion of tourism and the achievements made in the implementation of the APEC Tourism Charter.

The Ministers commemorated this Second Meeting of Ministers Responsible for Tourism and look forward to obtaining practical results through work that has been carried out to benefit the APEC Region.

Ministers recognized the valuable work done by the Mexican Government and the Government of the State of Colima in order to ensure the success of this Second APEC Meeting of Ministers Responsible for Tourism.

FIFTH MEETING OF APEC ENERGY MINISTERS
FOSTERING REGIONAL ENERGY COOPERATION:
SETTING A LONG TERM VISION AND IMPLEMENTING SHORT TERM ACTIONS

Mexico City, México, 23 July 2002

We, APEC Energy Ministers, met for the fifth time in Mexico City on 23rd July 2002 to discuss energy issues in the region, the progress made by our economies in implementing actions to achieve APEC goals and to chart the course for future activities of the APEC Energy Working Group.

We acknowledge the essential contribution of energy to maintaining the Asia Pacific region's economic growth and social development, and are committed to continue to strengthen simultaneously the APEC goals of economic growth, energy security and environmental protection. We note that, as outlined in Energy Outlook 2002, APEC's rapidly increasing energy demand will exceed that of any other region. Growth in the APEC region's energy supply infrastructure will therefore need to keep pace with demand if the region's development goals are to be met. A key challenge is to ensure that this growth takes place in a manner consistent with our environmental and social objectives.

It is estimated that substantial new investments will be required over the coming years to meet the APEC region's future energy needs. We reaffirm our commitment to energy market reform and greater transparency to attract the significant private investment needed for regional energy development, production and infrastructure. We remain committed to the environmentally responsible development and clean use of energy and to our belief that quality of life benefits flow from the availability of cleaner, more affordable energy.

We note the economic, environmental, and energy security benefits of the diversification of energy supplies. Continued research, development and deployment of a broad range of energy technology options will also help meet longer-term energy security objectives while addressing environmental impacts of energy use and production. Furthermore, intra-regional infrastructure development and increased energy efficiency will also help ensure that energy does not become a bottleneck to the APEC region's future economic development and social progress.

Recognizing that our implementation commitment and strategy established at our last meeting in San Diego, California, United States, 12th May 2000, covers a wide scope of initiatives, we commend the efforts and achievements of the Energy Working Group in implementing our decisions and in responding to calls by APEC Ministers and Economic Leaders. We welcome the opportunity to reaffirm the principles our initiatives embody and our direction that the focus should be on implementation of our initiatives for the achievement of practical results.

We continue to fully support the Energy Working Group's broad based work program, which covers activities aimed at, among other things, diversifying our energy mixes, improving energy efficiency, enhancing research, development and deployment of renewable energy such as photo-voltaic, wind power etc, deploying new and renewable energy technologies, promoting clean energy, facilitating energy business and trade, improving data collection and information sharing, encouraging private investment through policy and regulatory reform, and sharing best practices related to energy emergency planning.

We endorse the recommendations under the Energy Security Initiative as agreed by the Energy Working Group at its 23rd meeting, taking consideration that APEC's fundamental principles of cooperation, voluntary participation and mutual respect must be recognised under the widely differing circumstances of our economies. APEC Economic Leaders welcomed the Energy Security Initiative in their declaration of November 16th 2000, and, accelerated by the events in the United States on September 11th 2001, the subsequent Leaders Statement on Counter-terrorism released on October 21st identified this APEC initiative as a key measure for enhancing counter-terrorism.

We commend the Energy Working Group for its solid contribution to energy security through its broad based program covering both short term and longer term options that can be drawn upon by

economies. We also welcome the opportunity to share experiences and best practices with respect to emergency preparedness plans to deal with short-term supply disruptions.

We direct the Energy Working Group to promote the implementation of the Energy Security Initiative. In the short term, undertake work on improving monthly oil data, where available; real time emergency information sharing; the option of oil stocks among interested members; considering a feasibility study on possible joint stocks among interested members; and organising dialogues on sea lane security issues. In the longer term, look into energy exploration and development; alternative fuels; high efficiency vehicles; and more energy-efficient modes of public transport.

We note the Energy Business Network concern that sustainability needs practical responses that encompass burning fuels more cleanly, capture and geological sequestration of carbon dioxide, the use of new and renewable energy technologies, and improving energy efficiency. To assist sustainable development, the member economies agree to work together to pursue collaborative research programs. We also welcome progress under the 21st Century Renewable Energy Development Initiative, which includes a strong private sector involvement and applications in rural and remote regions.

We acknowledge the importance of sharing information on energy standards, and the desirability of reducing barriers to trade in energy- efficient appliances and products to enhance energy efficiency. We therefore endorse the Energy Standards and Labelling Co-operation Initiative as a timely and effective policy instrument. We also welcome the Pledges of fifteen economies under the Pledge and Review process for achieving energy efficiency gains. We further encourage all economies to consider a Pledge.

We also recognise the importance of strengthening efforts on energy education, as proposed by one of the economies, and request that the Energy Working Group review this initiative.

We welcome the initiative of the Energy Working Group to showcase its contribution to energy for sustainable development through the report Energy for Sustainable Development: The Contribution and Role of the APEC Energy Working Group. We believe that the forthcoming World Summit on Sustainable Development would be an opportunity for APEC to demonstrate to a wider global audience how voluntary regional partnerships can be utilised to achieve sustainable development objectives. We therefore direct the Energy Working Group through Australia and Mexico to forward this report to the World Summit on Sustainable Development for their consideration.

We believe that cross-border inter-connections of energy systems have the potential to bring great economic and technical benefits to our energy systems and to provide significant energy trade opportunities. We therefore direct the Energy Working Group to expand its preliminary work on addressing barriers to cross-border connection of power grids to cover gas pipeline networks and to work closely with the Energy Business Network in this regard.

We believe that energy emergency planning is important, including for disasters caused by natural factors, and that economies should be encouraged to share related information. We therefore welcome the progress made on the Earthquake Response Cooperation Initiative that has resulted in information and experience sharing in this kind of emergencies for energy supply systems.

We re-affirm our commitment to working closely with the business sector and note their recommendations for enhancing the functioning of the energy market. In particular we note the challenges of facilitating investment for energy infrastructure development in all member economies and the importance of clear, transparent and predictable laws and regulations to attracting foreign and private sources of capital, technology and expertise to facilitate both modernisation and diversification of energy sources in the region. We are pleased to note that there have been four Implementation Facilitation Assistance Team visits directed at reform of the energy market within Thailand (twice), Peru and the Philippines, which the hosts have deemed very helpful. We note that Implementation Facilitation Assistance Teams can provide experience and advice on options and approaches to address any issues within the energy sector and encourage the use of these teams.

We direct the Energy Working Group to explore mechanisms for working more closely with financial institutions to facilitate the infrastructure development within the region.

We continue to be committed to the implementation of the Framework for the Integration of Women in APEC, which is a significant step to enhance the ability of women to contribute to and benefit from prosperity of the region.

We acknowledge the efforts of the Expert Groups and APERC in continuing to support the activities of the Energy Working Group.

We appreciate the considerable dedication of time, resources and effort by Australia to providing a Secretariat for the Energy Working Group and hope that Australia can continue to provide this outstanding support.

We thank the Government of Mexico for hosting this meeting, in particular the Mexican Department of Energy for its leadership in coordinating the issues discussed at this Fifth APEC Energy Ministerial Meeting.

We welcome the opportunity to meet and discuss recent developments in the energy sector and the opportunity afforded by this meeting to give direction to the future of the work of the Energy Working Group. Making the best use of energy will remain a priority for all APEC economies. We are aware that using our resources in a responsible manner and ensuring the availability of energy services in our respective economies will be a contribution to the fulfilment of our longer term vision. We are committed to meeting APEC's rapidly increasing demand for secure, reliable and affordable energy in an environmentally responsible way and direct the Energy Working Group to chart the progress in the implementation of the initiatives mentioned above and to report back at the next Ministerial meeting.

**APEC SMALL AND MEDIUM ENTERPRISE MINISTERIAL MEETING
ACAPULCO, MEXICO
24-25 AUGUST 2002**

JOINT MINISTERIAL STATEMENT

"EXPANDING THE BENEFITS OF COOPERATION FOR SMES"

1. APEC Ministers and their representatives responsible for SMEs from Australia; Brunei Darussalam; Canada; Chile; the People's Republic of China; Hong Kong, China; the Republic of Indonesia; Japan; the Republic of Korea; Malaysia; Mexico; New Zealand; Peru; the Republic of the Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam met on 24–25 August, 2002, in Acapulco, Mexico, for the 9th Meeting of APEC Ministers responsible for SMEs. The APEC SOM Chair was present. The APEC Secretariat was also present. The Economic Cooperation Council (PECC) attended as observer.
2. Ministers and their representatives concurred that micro, small and medium enterprises (SMEs) contribute to ensure sustainable economic growth in the APEC region. Within this context, they reaffirmed APEC member economies' commitment to move forward with the common goal of achieving a sound framework in order to bring about sustainable economic growth in the region.
3. Ministers embraced the importance of facilitating the access to investment among strategic sectors and regions, taking consideration of developing economies' own potentials and opportunities. The strengthening of regional marketplace is also essential to achieve sustainable growth, resulting in a greater job creation and social well being.
4. To further the development of the Osaka Action Agenda (OAA), Ministers reiterated that SMEs in APEC, including micro-enterprises, could make meaningful contributions towards the expansion and acceleration of trade and investment. Ministers called for intensified development cooperation to attain equitable and sustainable development and domestic stability, keeping a close interaction with the private sector.

EXPANDING THE BENEFITS OF COOPERATION FOR SMES

5. Ministers held discussions on how APEC SMEs could best contribute to economic growth in the APEC region and respond to the challenges emerging in the new century in order to reach the free and open trade and investment and liberalization goals set for developed economies in 2010 and developing economies in 2020, under the Bogor Declaration. Their discussion focused on the issues of Policy Environment; Sustainable Development; and Regionalism.

I Policy Environment

6. Ministers agreed to enrich the cooperation and exchange of information among economies on the appropriate policy environment conducive to achieving sound progress towards SMEs development in the region.
7. Strengthening a supportive environment and fostering entrepreneurial culture is also essential to increase SME competitiveness. Among the ways to strengthen the environment is to provide a sound basis for capital and enterprise formation.
8. Ministers commended the progress made on the efforts to enhance the exchange and cooperation among APEC economies by the implementation of programs such as business matching programs to foster strategic alliances, training and certification for small business counselors, access to financing, consumer education and protection initiatives, access to electronic information, and innovating entrepreneurship.
9. Within the priorities of a conducive policy framework, Ministers encouraged economies to continue working on specific efforts to improve the functioning of markets and to enhance SMEs development and called for further attention on the following:

Micro Financing and Capital Markets

- SMEs need to first to gain access to financing in their home market. Ministers discussed means of helping SMEs to grow domestically through such approaches as the creation of guarantee funds or the participation of non-banking intermediaries;
- Ministers discussed the need to promote a financial system within each economy that fosters cross-border investment and improves enterprises' financial situation, enabling them to participate more intensively in international markets. A legal framework that provides certainty to entrepreneurs is a key factor to assure fair trade practices in the region;

Human Capacity Building

- Ministers discussed the need to accelerate the implementation of training and certification programs including management training, administrative and entrepreneurial skills, quality manufacturing process, enterprise and product competitiveness, technological innovation, technical assistance, and competitive start-up enterprises.
- Ministers called for the promotion of programs to create competitive human resources for start-up businesses that foster the creation of new SMEs and consolidate the permanence of existing ones.

Access to Information

- Recognizing the particular difficulties faced by SMEs in accessing relevant information, Ministers encouraged SMEs to take advantage of initiatives such as the new on-line SME information systems, that provide valuable inputs on enterprises' economic data; business procedures; productivity changes; legal frameworks; and available financial, training, technological and business opportunities for the SMEs in the APEC region.

Technology and Technology Sharing

- Ministers supported efforts to bridge the digital divide between developed and developing economies through mechanisms that foster appropriate technology sharing, and offering support to SMEs in specific sectors and regions in order to optimize their processes and increase their competitiveness. This may include industrial outsourcing practices and enterprise association schemes.

Access to Markets

- Ministers also called for promotion of balanced regional development and develop productivity chains in strategic industry sectors and implement vendor programs in which both big enterprises and SMEs benefit from a permanent commercial relationship in regional and international markets.
- Acknowledging the substantial contribution of SMEs to trade in APEC region and the potential benefits in economic development to be gained through enhancing the participation of SMEs in export markets. Ministers called on APEC working groups and sub fora to develop programs to remove obstacles related to regulatory reform and legal framework, financial services, access to technology and capacity building with the aim to ease the transition into export for SMEs and micro enterprises and to promote the establishment of born global start ups.

Access to Transparent Legal and Regulatory Environment

- Ministers recognized the high cost burden imposed on SMEs in meeting the standards and conformance requirements in order to gain access to the overseas market. In this regard Ministers recognized the work being conducted the Committee on Trade and Investment and its relevant sub-for a, including the Sub-Committee on Standards and Conformance and encourage further work applicable to SMEs in these fora.
- Ministers instructed the SME Working Group to work closely with the Committee on Trade and Investment (CTI) and its relevant fora in exploring ways to further address the concerns of SMEs in meeting the necessary standards and conformance requirements of APEC economies and to report its progress next year.
- Ministers encouraged member economies to step up efforts that contribute towards creating a conducive business environment by eliminating unnecessary bureaucracy red tape and

reducing business start-up requirements. Ministers recognized the basic principle of "cutting the red tape and rolling out the red carpet" to start-up businesspeople.

10. Ministers commended the efforts made by Chinese Taipei in addressing the issues of women's entrepreneur and start-up companies through the APEC Symposium on "Best Practices for Women's Entrepreneurship and Start-up Companies" held in Chinese Taipei in August 2002. Ministers encourage member economies to take further actions to improve the policy environment for the development of women's entrepreneur and start-up companies.

II Sustainable Development

11. Ministers recognized that innovation and start-up SMEs are key elements of success that shape economic growth. The capability of SMEs to benefit from the new economy relies on innovation, since innovation is both the source of competitiveness and the key to survival in the new economy. New SMEs contribute to economic development by triggering competition through innovation, thus resulting in positive economic growth, technological upgrading, job creation, and overall improvement in social well being.
12. Ministers recommended consideration of innovation policies that provide channels for start-ups to access a variety of financing resources, research and development, commercialization, and marketing tools. These innovation policies, within a conducive business environment, may include promoting research collaboration, facilitating networking and clustering of firms, encouraging institutional ties, diffusing technology, increasing personnel mobility, creating a stable macroeconomic environment, and considering a greater integration of micro-enterprises, women and young entrepreneurs.
13. In order to achieve sustainable growth, Ministers encouraged economies to consider initiatives in areas such as:

Micro-finance as a Sustainable Development Tool

- Ministers recognized the importance of micro-finance as a sustainable development tool for micro-enterprises. Ministers took note of the performance of Bank Rakyat Indonesia's micro-financing system, which provides an extraordinary example of a commercially viable approach that succeeded during an exceptionally severe economic crisis.
- Ministers welcomed the recommendations to (1) develop an appropriate risk based regulatory framework for the commercial microfinance industry; (2) incentivize banks and financial institutions to enter the business of microfinance; (3) provide incentives, training and rewards to commercial institutions that demonstrate excellent performance; (4) limit microfinance subsidies to activities that disseminate information, develop financial tools, and train managers and staff; (5) provide capacity-building initiatives for the most promising institutions entering the micro-financing market; (6) and share lessons across APEC regarding the transformation of non-governmental organizations to commercial microfinance institutions.

Seed and Venture Capital Business, and Guarantee Funds

- Seed and venture capital investment firms, together with the fast growing portfolio firms in which they invest, and the professional services firms that support them, are powerful sources of job creation, innovation and globalization in economies around the world. Even though they and their portfolio firms comprise a tiny percentage of total SMEs, venture capitalists and private equity investors can play a vital role in accelerating the development of the economies.
- Seed and venture capital businesses have the potential to alleviate the situation of asymmetric information facing start-ups and integrate them into industrial networks, especially high-tech start-ups. Venture capital policies established by SME Administrations within economies can supplement existing sources of funds and reduce administrative obstacles to the set-up and operation of venture capital firms.
- Ministers recognized the need to have a capital formation legal and regulatory landscape which will promote the formation of angel networks, venture capital enterprises, and investment banks with open financial markets. Without these prerequisites it will be difficult to attract capital and the formation of adequate capital markets.

Ministers agreed to consider:

- Undertaking a review of their legal and regulatory structure to determine the constraints for the formation of individual and enterprise capital, including investing in and exiting from enterprises. Revise those laws and regulations that form barriers to the formation, growth and dissolution of SMEs and capital.
- Explicitly authorizing and encouraging its private sector banks, institutions, pension funds, investors and corporations to allocate a prudent percentage of their investment portfolios to limited partnerships in successful venture capital enterprises, with the goal of developing their own economy's capital capabilities.
- Review annually the growth of its capital and SME communities and provide APEC with this report. APEC in turn could consider summarizing and distributing these findings to its member economies.

Incubation Policy Towards Start-up SMEs

- Incubators can provide individuals or small enterprises the support of space, equipment, technology, professional manpower, business services, and information. In incubators, SMEs are allowed to develop new products and new technology to establish a new business and conduct enterprise transformation and upgrades.
- Incubator centers have the potential to be an important platform for cross-industry collaboration within the innovation system and a center to disseminate knowledge within and among APEC economies. It is important that incubator centers carefully choose participants and develop methodology to measure their performance.
- Ministers acknowledged the importance of incubators and industrial clusters to the enhancement of the innovative capacity of SMEs and micro-enterprises. Through these two mechanisms, new forces can continuously inject into economies to sustain the economic growth. Ministers noted that the project, "From Income Generation to Patent Creation: Incubating Innovative Micro-enterprises" proposed by Chinese Taipei this year, is an effort to establish the mechanisms in the APEC region. Ministers look forward to receiving deliverables from this project.

Knowledge Platform for Business Start-ups

- In order to create a conducive environment for business start-ups, a platform may be designed as a mechanism to facilitate entrepreneurs to build up a new enterprise. A knowledge information center for business start-up and a window for consultation are encouraged to be established within member economies. Such centers could provide entrepreneurs channels to establish new ventures among APEC economies by taking advantage of APEC regional, bilateral and domestic information portals available.
- A number of mechanisms are needed to improve the functions of the platform such as assistance in technology consultation, education, financing, and minimizing the administrative obstacles for new firms and ventures. Ministers acknowledge that relying solely on domestic efforts is at times not enough to foster innovative start-ups and maintain sustainable growth. International cooperation is an important mechanism.

Access to Information and Communications Technology

- Ministers acknowledged the crucial cross cutting role that information, communications technology (ICT) fulfilled in allowing SMEs and micro enterprises opportunities to gain a wider global audience for their products and services.
- Ministers recalled the objectives that were launched in Brunei Darussalam to provide greater universal access to ICT and the internet for APEC economies. Ministers also acknowledge the need to increase the human capacity aspect for entrepreneurs to utilize technology to better conduct their businesses and improve greater ability to penetrate international markets. In this regard, Ministers called for human capacity building efforts to be continued with the involvement of all stakeholders towards building institutional capacity and achievement of social development goals.

14. Ministers endorsed the proposal to hold a Seminar on Sharing Best Practices for SMEs Business Development Centers, including micro-enterprises, and commended Mexico, Thailand and the United States for taking the leadership in organizing this event and report its result to the next SME Ministerial Meeting.

III Regionalism

15. As to regionalism, Ministers noted that while APEC itself is a region, there are also distinct region within most APEC economies. Building a strong economy for APEC as a whole, begins with building strong region within each economy. This is important for economic and social development and SMEs have a key role to play. The challenge in dealing with SMEs is to ensure that they are provided with appropriate and coordinated services at the regional level most suitable for them. At the same time, SMEs should be encouraged to participate in the opportunities created in the whole APEC region.
16. Ministers stressed that efforts must be directed to strengthen productive chains through the promotion of enterprise association schemes, to create formation and development of industry and commerce vendor programs, and the facilitation of access to trade and investment among strategic sectors and regions, taking advantage of developing economies' own potentials, strengths, and opportunities be considered.
17. Ministers recognized that strengthening regional market is key to achieving sustainable development envisioning the expansion to other markets, resulting in a greater job creation and social well being.
18. As stated in the Osaka Action Agenda, Ministers reiterated that market access is critical to the globalization efforts of SMEs and their ability to take full advantage of the post-Bogor environment.
19. Ministers expressed the willingness that by the year 2020, SMEs should be increasingly globalized and internationally competitive as a result of being better able to identify and meet demands for goods and services across APEC economies, and having improved access to timely and quality information about market opportunities.
20. Member economies are encouraged to expand SME economic opportunities by further liberalizing and facilitating trade and investment to enable SMEs to fulfill their potential. SMEs need coordinated business support services in their home region and accurate and timely information on foreign markets, market opportunities, cultural and business practices, and regulations.
21. In this context, Ministers welcomed the efforts made to finalize the APEC SME Profile 2000 and the SME Portal Hub, which provide valuable information on the SMEs situation and opportunities to facilitate access to international markets, trade and investment within APEC economies.
22. Ministers welcomed as well the progress made on updating the Integrated Action Plan for SME Development (SPAN) to establish a generic policy framework and guidelines to help SMEs adjust to policies that support regionalism. SPAN helps participating economies benefit in three ways:
 - Allows for international comparability of policies, programs and best practices;
 - Assist all APEC fora identify specific policies and programs which may foster the development, growth and competitiveness of micro-enterprises and SMEs (MSMEs) across the region; and
 - Situates the assessment of specific MSME policies and programs in the context of regional trade and investment policies.

SMALL AND MEDIUM ENTERPRISE WORKING GROUP REPORT

23. Ministers welcomed the report made by the Working Group on the follow-up tasks given by the SME Ministerial Meeting, the Joint Ministerial Meeting and the Leaders Meeting in 2001, as well as work progress derived from the 2002 tasking statements.

24. Ministers took note of the report on the implementation of Shanghai Accord, and endorsed the establishment of a task force to study the development of a monitoring mechanism and information exchange on MSMEs on a voluntary basis.
25. Ministers also received reports on progress on the broadening and updating the OAA; promoting the adoption of appropriate trade policies for the New Economy; and the initiative on the strengthening ECOTECH and capacity building efforts. The Ministers welcomed the establishment of the APEC IBIZ in its contribution to the capacity building of micro-enterprises and SMEs.
26. Ministers endorsed a set of action plans to be carried out by the SMEWG to implement the E-APEC Strategy. The Action Plan touches upon the elements of: Facilitation for access to information for SMEs through ICT; Consolidation of Infrastructure for ICT Applications; Electronic Commerce; e-Learning; and Application of ICT to Business Management.
27. Ministers encouraged member economies to make full use of services offered in the Virtual Classroom and Cyber Forum of the HCB Promotion Program Website and promote more effective sharing of best practices on human capacity building in APEC, as part of the Beijing Initiative.
28. Ministers commended the efforts made by SMEWG on the implementation of the Framework for the Integration of Women in APEC and welcomed the offer of the United States to continue to act as the Gender Focal Point for the Working Group for the next year and to oversee the study on the Economic Contributions of Women and Men in APEC Economies: The Need for Sex-disaggregated Data.
29. Following the Ministers' instruction to the SMEWG to have closer interaction with the business community, the Working Group reported that it had been agreed to have the ABAC SME Task Force to report to the SMEWG regularly on action taken in ABAC on SME issues.
30. In response to the APEC Ministers' instruction for the identification and invitation of the participation of outside groups, which could contribute, to their work, the SMEWG agreed to invite the OECD to attend the 15th SMEWG Meeting in Acapulco, to brief the SMEWG on its activities on SMEs. The Ministers instructed the Working Group to continue exploring potential collaboration with the OECD in line with the relevant existing APEC guidelines.

Enhancement and Deepening of SPAN

31. Ministers welcomed the efforts made to advance in the SMEWG amendments to the priority areas and SME-related actions of Osaka Action Agenda (OAA), jointly with the Integrated Plan of Action for SME Development (SPAN); and directed SMEWG to continue encouraging the implementation of relevant and joint activities derived from the document.
32. Ministers approved the proposed enhancement of SPAN (Annex 1). The New SPAN contains:
 - guidelines for economies to develop SMEs policies and strategies;
 - a suggested framework for economic cooperation concerning SMEs within APEC; and
 - a six priority area that represent the focal points for APEC SME initiatives as drawn from the OAA – which now include: policy environment, in addition to human resource development, financing, technology and technology sharing, access to markets, and access to information.
33. The new SPAN included an Evaluation Framework which describes three elements required to assist APEC fora and economies to identify and analyze policy issues, including the review of best practices:
 - Efficiency Criteria
 - Relevance to Priorities and Objectives
 - Cost Effectiveness

34. Ministers instructed APEC economies to further the development of SPAN's Policy Framework including the policy issues relating to the formation and growth of micro-enterprises.

Improving Coordination and Focus of the SME Working Group

35. Ministers recognized the importance of the need for the work of the SME Working Group to focus more closely on policy development and also to improve coordination both between the Group and the SME Ministerial Meeting and the other relevant fora throughout APEC

Completed, On-going and New Projects of SMEWG

36. Ministers welcomed reports on several successfully completed projects, including:

- China's Seminar on Opportunities and Challenges for APEC SMEs after China's Accession into WTO Accession (China)
- USA's Voluntary Visitors Program for APEC SME Officials (USA)
- Training and Certification for Small Business Counselors (Canada/Philippines)

37. Ministers also noted continued progress in assisting SMEs in the region under the SMEWG's on-going projects, including:

- Russia's Innovation Forum "International Business Cooperation in the Sphere of Innovative Entrepreneurship" (June 2002)
- Chinese Taipei's APEC SME Profile 2000
- Japan's Evolving Cooperation Initiative for SME and New Business Support
- Philippines and Canada's Small Business counselors
- USA's Business Partnership Initiative for SME Strategic Alliances
- USA's Consumer Education and Protection Initiative
- Canada and PECC's Portal Hub
- Japan's APEC Business Matching and Advice Program

38. Ministers also welcomed the following new project proposals and instructed the SMEWG to further develop the proposals:

- From Income Generation to Patent Creation: Incubating Innovative Micro-enterprises (Chinese Taipei)
- Entrepreneurs Consortium (USA and PECC)
- Seminars on "Growing the APEC Small Business Exporter Community" (Australia)
- Implementation and Program Enhancement APEC-IBIZ (Mexico and APEC IBIZ)
- The Need and Availability of Micro-Finance Services for Micro-enterprises: Bringing Multi Level Good Practices into Local Context (Indonesia)

HIGH LEVEL MEETING ON MICRO-ENTERPRISES

39. Ministers recognized that APEC is well suited to play a leading role in contributing to the integration of micro-enterprises in the globalization process. Ministers welcomed the efforts undertaken during 2002 to explore ways to assist people engaged in micro-enterprises reap

the benefits of economic growth and development that are created by open markets and globalization.

40. In that regard, Ministers considered the outcomes of the High Level Meeting on Micro-enterprises (HLMME), held on 17-18 August 2002, in Acapulco (Annex 2). Among the main findings of the HLMME, Ministers acknowledged that attention to micro-enterprises is an organic part of promoting progress towards APEC objectives in terms of gender equity, poverty alleviation, and the strengthening of social safety nets. At the same time, Ministers confirmed the overarching objective of shared prosperity and the aim to empower micro-enterprises through access to information, training and capital.
41. Ministers stressed that it is necessary to improve the focus of APEC's objectives and develop visionary strategies to achieve them. Moreover, Ministers recognized the need for innovative strategies to access greater funds by building partnerships to mobilize the financial resources of APEC member economies, the private sector and development agencies.
42. In recognition of the unique challenges faced by micro-enterprises and their immense importance for employment and income creation in APEC economies, Ministers endorsed the creation of a sub-group within the SMEWG to address micro-enterprises development. Ministers instructed the Working Group to develop terms of reference for the sub group as soon as possible, and instructed that an action plan for micro enterprises be develop through the sub group, taking into account the result of the High Level Meeting on Micro enterprises and the work being conducted by relevant APEC fora and other APEC stakeholders, such as ABAC and WLN, and that such action plan is presented to the next SME Ministerial Meeting.
43. Furthermore, Ministers instructed the SMEWG to coordinate, through its new sub-group, work with all APEC fora and sub-fora involved in issues pertaining to micro-enterprises development, such as capacity building, financing, gender integration, information and telecommunication technologies, and infrastructure, among others. (See Annex 2 for executive summary of HLMME).

COUNTER TERRORISM

44. Recognizing that micro, small and medium enterprises are particularly sensitive to economic disruption, Ministers agreed that APEC economies cooperate fully to ensure that international terrorism does not disrupt economies and markets, through close communication and cooperation among economic policy and financial authorities.

ABAC AND WLN REPORTS

45. Ministers welcomed the reports from the APEC Business Advisory Council and from the Women Leader's Network (see Annex 3) on their priority recommended actions, and instructed SMEWG to incorporate them into the group's work, as appropriate.
46. Ministers reiterated the Leaders'calls to economies to appoint an SME representative as one of their ABAC members.

ASIAN SME AND ENTREPRENEURSHIP SUMMIT

47. Ministers welcomed Hong Kong, China for inviting all member economies to attend the Asian SME and Entrepreneurial Summit, jointly organized by Hong Kong Productivity Council and the Mansfield Center for Pacific Affairs of the U.S. Experts, academics and officials from non-governmental organizations exchanged ideas and experiences, in order to help identify best practices of nurturing the development and success of entrepreneurs and SME's in the Asian economies.

RESULTS FROM THE JOINT SESSION WITH BUSINESS DELEGATES

48. Ministers held a joint session with representatives from the Business Forum. Ministers welcomed the extensive involvement of SMEs and both sides welcomed this opportunity for dialogue and supported continued efforts toward producing mutually desired results. During the Ministerial Meeting, representatives from SMEs in the APEC region held a concurrent Business Forum and Exhibition in Acapulco.

49. Ministers welcomed the results derived from the Business Forum discussions on how to trade and invest in various sectors.

STATEMENTS FROM OBSERVERS AND 10th APEC SME MINISTERIAL

50. Ministers appreciated comprehensive statements provided by the Pacific Economic Cooperation Council (PECC).
51. Ministers look forward to successful implementation of SMEWG activities and participation in the 10th APEC Ministerial Meeting for Ministers Responsible for Small and Medium Enterprises in August 2003 in Chiang Mai, Thailand.

Ninth APEC Finance Ministers' Meeting

**Los Cabos, México
September 5-6, 2002**

Joint Ministerial Statement

I. Introduction

1. We, the Finance Ministers of APEC, met in Los Cabos, México, along with representatives of the International Monetary Fund, the World Bank, the Asian Development Bank and representatives from the private sector.
2. With the approach of the first anniversary of the terrorist attacks of September 11, 2001, we discussed the importance of our efforts to combat the financing of terrorism and money laundering. We also focused our discussions on examining ways to strengthen global and APEC regional economic growth; advance fiscal and financial reforms; and improve the allocation of domestic savings for economic development.

II. Macroeconomic Challenges and Policy Responses

3. We recognize that the majority of indicators suggest that the global economic recovery is underway. The current recovery in APEC economies has been supported by robust consumer spending and intra-regional trade. Nevertheless, uncertainties regarding the strength and pace of the expansion remain.
4. Although most APEC economies are enjoying stronger economic performance, some still face structural, fiscal and financial challenges. To increase growth and improve living standards, we are committed to a sound macroeconomic and financial environment and promoting good corporate governance to strengthen investor confidence, elements necessary to create a conducive environment for an efficient and innovative private sector.
5. Ministers emphasized the importance of promoting a more open multilateral trade system to reinforce global economic recovery, and reaffirmed their pledge to reject the use of protectionism and their commitment to abide by multilateral rules.

III. Ninth APEC Finance Ministers Process' Policy Themes

A) Combating the financing of terrorism and money laundering

6. We remain committed to disabling the financial networks of terrorists and have released an action plan to combat the financing of terrorism. We will work cooperatively with the UN, the IMF, the World Bank, FATF and other relevant international and regional bodies to promote the adoption, implementation, and assessment of international standards to combat terrorist financing and money laundering. We welcome the decisions of the IMF and World Bank to add the FATF 40 recommendations for anti-money laundering and the eight special recommendations (FATF 40 + 8) to the areas on which the Reports of the Observance of Standards and Codes are prepared. We call on the IMF and Multilateral Development Banks to provide technical assistance, in coordination with the UN, FATF, FATF-style regional bodies and donor nations, to economies that need help in implementing these international standards.
7. We note the importance of preventing terrorists from misusing alternative remittance systems and non-profit organizations, including charities, as a source of or mechanism to move funds. We welcome the work of the FATF on charities and of one of the regional FATF-style bodies on alternative remittance systems and encourage continued work on these issues. We ask our officials to evaluate ways of discouraging improper use of alternative remittance systems. We will increase our efforts to investigate and prosecute money launderers and terrorist financiers. We welcome the efforts of FATF and of one of the regional FATF-style bodies to expand their activities to include combating terrorist financing. We encourage these bodies to examine the use of bulk cash in facilitating money laundering and the financing of terrorist

activities. We support the work of the international information-sharing body of Financial Intelligence Units and encourage enhanced international information sharing among financial and enforcement authorities.

B) Advancing pending fiscal and financial reforms

8. Prudent fiscal management will help maintain macroeconomic stability, lower interest rates and higher economic growth. We are committed to continue working towards prudent and transparent fiscal management, including avoiding significant structural fiscal deficits and enhancing the efficiency of public expenditure.
9. We recognize that more open, better regulated, transparent and deeper financial systems promote higher and more sustainable rates of growth. We need to continue strengthening the soundness and efficiency of financial systems and improve their capacity to stimulate growth and withstand economic shocks, particularly through better credit culture and risk management. We recognize that the further strengthening of banking supervision, market disciplines and corporate governance in the financial system, based on sound legal systems and accounting standards and practices, are essential to promote efficient financial systems. We emphasized that close observance of international standards and codes remains a useful reference to guide economies in promoting financial stability.

C) Improving the allocation of domestic savings for economic development.

10. Adequate levels of savings are an essential foundation for economic stability and growth. In addition, in a globalized economy, the key to sustainable long-term economic growth is to channel both domestic and foreign resources into their most productive forms of investment. Therefore, it is essential to put in place the institutional framework and structural reforms that allow the most efficient allocation of savings.
11. We agree that financial sector liberalization supported by a strong supervisory and regulatory framework, has an important role to play in enhancing competition in the financial sector, widening the options available to hedge against risk, and fostering the allocation of savings to the most productive investments. We encourage APEC economies to carry out appropriate steps to promote more openness, diversity and competitiveness in their financial markets, including through the development of regional bond markets.

IV. Building stronger foundations for sustainable growth in the APEC region

12. We welcome the substantial progress made by APEC members in deepening domestic reforms and implementing initiatives to prevent and manage effectively international financial crises. In this regard, we welcome the progress made by policy initiatives under the APEC Finance Ministers' Process in contributing to healthy financial and corporate sector in this region. We also encourage participation in the Reports on Observance of Standards and Codes (ROSCs) and Financial Sector Assessment Programs (FSAPs) as ways of strengthening domestic financial systems. We note the recent developments in regional financial cooperation among the ASEAN+3 countries, including significant progress in the Chiang Mai Initiative, efforts to enhance policy dialogue in the region, monitoring of capital flows and early warning system.
13. We note that IMF quotas should adequately reflect developments in the international economy.

V. Other issues

14. We welcome the opportunity to have a dialogue with the APEC Financiers' Group (AFG) on the public and private sector actions against the financing of terrorism and on the promotion

of corporate governance in the financial sector. We also appreciate the reports by: the APEC Business Advisory Council (ABAC) on their work in relation to the efforts aimed at strengthening regulation and supervision of the banking sector; the Pacific Economic Cooperation Council (PECC) on the Finance Forum recommendations to ensure financial stability in the region; and the APEC Economic Committee (EC) on the results of the Micro Banking Development Regulation and Supervision Symposium that took place last July in Mexico City.

15. We would like to thank the people and Government of Mexico for the hospitality extended to all delegations and the excellent arrangements they have made to make the ninth APEC Finance Ministers' Meeting a success. We will meet again for the 10th APEC FMM in Phuket, Thailand, on September 4th-5th, 2003.

VI. Annex 1:

Progress Report on the Policy Initiatives under the APEC Finance Ministers' Process

I. Voluntary Action Plan for Supporting Freer and More Stable Capital Flows (VAP):

As part of the series of initiatives to strengthen financial markets under Part 2 of the VAP, a Policy Dialogue on the theme of Strengthening Market Disciplines in the Financial Sector was held in Hong Kong between 29 and 31 July. It was chaired by New Zealand, Chile and Thailand, and was attended by 19 of the 21 APEC economies, with participation from the IMF, World Bank and BIS. The theme of market disciplines was chosen in recognition that well-functioning markets have a strong role to play in strengthening the incentives for financial institutions to prudently manage their risks. A paper summarizing the key points to emerge from the Policy Dialogue has been prepared and was tabled at the Deputies' and Finance Ministers' meetings in Los Cabos. Consideration is now being given to the possible theme(s) for a policy dialogue or other initiative under Part 2 of the VAP in 2003.

II. Financial Regulators Training Initiative:

APEC Finance Ministers endorsed the Financial Regulators Training Initiative in May 1998 aimed at strengthen capacities of training programs of financial regulators in the region. Supported by the ADB, which established a secretariat in November 1998, the initiative has been steered by two advisory groups respectively for banking and securities regulators. Over 2-years period beginning in 1998, the Initiative developed guidelines and processes for training and a number of training programs for trainers as well as 4 regional programs were delivered. These programs have provided training to training managers from 19 economies covering in excess of 500 participants. The technical support was provided by the Federal Reserve to whom all the economies show their appreciation.

At the 7th APEC Finance Ministers' Meeting (AFMM), Ministers extended the initiative for two more years. The Phase II Action Plan was endorsed by both regulators advisory groups in November 2000. Under Phase II, for bank regulators, training programs focused on bank analysis and examination and market risk. Special modules were organized in these on integrated supervisory structures and methodologies, money laundering and regulators risk based on site supervision models. Materials on these courses are now available on CD-ROMs and videos. A web site for the APEC Financial Regulators Training Initiative is available. The web site address is: <http://www.adb.org/apec>.

For securities regulators, courses and study materials have been prepared for structure and operations of capital markets, financial products, and enforcement or securities regulation and investigation. In 2001, in addition to regional training programs, national dedicated programs were organized for Indonesia, P.R. China, and the Philippines. The advisory groups banking and securities regulators met in September 2001 to evaluate progress in Phase II of the Training Initiative and its strategic direction for the remaining period until the Initiative's expiry in October 2002. The APEC Finance and Central Bank Deputies' Meeting endorsed the continuation of the APEC Financial Regulators Training Initiative, with ADB as the secretariat, till October 2003. The Meeting also welcomed Chinese Taipei's proposal to provide training resources for banking supervisors to better prepare for the Basel II Accord.

III. Managing Regulatory Change in Life Insurance and Pensions:

The life insurance industry has become an important component of financial systems in many APEC economies, and there is great potential for further growth. In addition, the private pension industry is poised to become an important part of savings in the region. This initiative, led by Australia, focuses on prudential supervision of the life insurance and pension industries, its goal being to encourage well-functioning industries in the region.

With solid support received from regional regulatory authorities, the private sector, and the ADB, this initiative runs for three years and includes 3 symposia and 6 training courses for middle to senior level regulators. The first symposium was held in Manila on 23-24 November, 2000. The first three training programs were held in Melbourne, on 5-17 March and 16-27 July, 2001 and, 11-22 March, 2002. The second annual symposium was held in Beijing on 8-9 November, 2001 and brought together senior life insurance and pension regulators from the participating economies. The third annual symposium for the MRC program will be held in New Delhi, India on 6-8 November, 2002.

IV. Strengthening Corporate Governance in the APEC region:

In their 2001 meeting, Ministers agreed to continue the work on this initiative, which was carried forward in 2002 by Mexico, Australia, the Republic of Korea and the Philippines through the development of a Policy Dialogue on "Strengthening Corporate Governance in the Financial Sector". The policy dialogue took place in Hong Kong on 1-2 August, 2002. Ministers welcome the conclusions of the Policy Dialogue and agree that solid and strong financial systems largely depend on sound macroeconomic policies but also on complementary and mutually determinant good public and private financial sector governance. Ministers welcome the future publication by Mexico of the results of this exercise.

As part of this initiative, Australia will lead a pathfinder on Corporate Governance in 2002. A formal proposal for the Pathfinder will be developed prior to the December 2002 Technical Working Group Meeting and a report on progress will be provided to Finance Ministers at their 2003 meeting.

V. Insolvency Law:

This initiative, launched as part of broader context of corporate governance, aims to raise awareness of the importance of establishing and implementing strong insolvency regimes in the region. Under this initiative, a symposium named "Insolvency systems in Asia: an efficiency perspective" was held in Sydney on 29-30 November, 1999. Indonesia hosted the second seminar of the Forum for Asian Insolvency Reform in Bali on 7-8 February, 2001 which focused on five main issues: the establishment of a well-functioning insolvency system, the role of judges, the independence of judges, the establishment of specialized courts and, the role of out-of-court settlement.

Thailand will host the 2nd Forum on Asian Insolvency Reform during the 16 and 17 of December of 2002 in Phuket. The agenda will cover 6 main issues, including informal workouts, approaches and frameworks, the interaction of corporate governance and insolvency, the cross border informal workouts, conversion of informal workouts to formal workouts, role of regulators in informal workouts, and restructuring techniques for financial and operational restructuring.

VI. APEC Privatization Forum:

The initiative, adopted the 6th AFMM and led by Thailand, covered many issues stemming from privatization, including competition policy, regulatory reform, capital market improvements, employee relations and corporate governance. Since then, the Forum has hosted three successful Annual Events. The Fourth Forum has been tentatively scheduled for December 2002 in Bangkok, Thailand. In response to the requests from delegates from member economies at the 3rd APEC PF meeting in Chinese Taipei in June 2001, planning commenced on inaugurating a program of regional roundtables, whereby member economies within the region can focus on specific issues of interest. The first of these workshop/roundtables was hosted by the Ministry of Finance, Vietnam and held in Hanoi. The topic of roundtable was 'Mobilizing Private Finance for Infrastructure'. The roundtable was funded by the Public Private Infrastructure Advisory Facility (PPIAF), with the cooperation of the Bangkok Office of the World Bank and was held between 22 and 24th May 2002. It included delegates from Chinese Taipei, Philippines, Thailand and Vietnam as well as many representatives from Vietnamese line ministries. In addition PPIAF, a multilateral fund based at the World Bank, sponsored delegates from Lao PDR and Cambodia. Presenters with extensive experience in this area from the United Kingdom, Partnerships Victoria, PERC in Sri Lanka and CCPS in the Philippines presented a 2-day training workshop for Technical Officials from each participating economy followed

by a round table on the final-day for high-level officials. A discussion panel followed each session of presentations where attendees were able to ask questions or make comments on particular issues. Apart from presentations, delegates to the roundtable received an interactive CD-ROM containing information, studies and examples of Private Participation in Infrastructure, as well as toolkits for specific sectors aimed at educating high-level policymakers on the issues involved in Private Participation. Further consultation between the APEC PF secretariat and Latin American economies is underway to hold a similar Regional Forum in South America during 2003

VII. APEC Initiative on Fighting Financial Crimes:

At the 7th AFMM, Finance Ministers agreed that APEC should play a significant role in fighting against financial system abuse. Co-chaired by the United States and Thailand, a working group was established with the goal of strengthening anti-money laundering regimes in the region by identifying areas in which international bodies and agencies can provide the necessary training and technical assistance to enable jurisdictions to comply with international standards. Based on responses to an Asia-Pacific Group on Money Laundering (APG) self-assessment survey, the group identified three main areas for training and technical assistance (TTA) for APEC to promote: Financial/Regulatory TTA, Legal Infrastructure TTA, and Financial Investigations TTA. More recently, the working group has focused its efforts on encouraging all APEC economies to complete the Financial Action Task Force's (FATF) self-assessment questionnaire on terrorist financing. In addition, pursuant to this initiative, the secretariat for the Financial Regulators' Training Initiative is developing an anti-money laundering component to be included in the basic curriculum. The initiative on Fighting Financial Crimes has terminated during this cycle, and will lead the way to a new project on Alternative Remittance Systems, which will be developed next year.

VIII. Electronic Financial Transactions Systems:

At the 7th AFMM, the Ministers endorsed the establishment of the APEC Working Group on Electronic Financial Transactions Systems (WG). The WG, co-chaired by Hong Kong, China and Japan, held six meetings, including consultation with private sector representatives. It drew on the work done by other relevant international fora, and reviewed a wide range of issues on the development of electronic marketing and delivery of financial services, as well as electronic payment and settlement of financial transactions.

The WG conducted two surveys with relevant authorities and private sector entities of member economies. Based on the responses to such surveys, an interim report was issued to present the current state of e-finance development in the APEC economies and to identify issues for further development of e-finance in the region. The interim report was submitted to the 8th AFMM.

To facilitate detailed examination of the issues and the formulation of recommendations for promoting e-finance in the APEC member economies, six member economies (Brunei Darussalam; Hong Kong, China; Korea; Malaysia; Singapore; and Thailand) conducted case studies to share their experience and expertise in the development of e-finance in their respective economies. In addition, Japan initiated a small-scale survey to identify policy issues on consumer protection in cross-border e-finance. Based on these case studies and the small-scale survey, the WG concluded in June 2002 a final report, with recommendations on regulatory issues, payment issues and consumer protection in cross-border e-finance. The final report has been submitted to this 9th AFMM for adoption.

IX. APEC Future Economic Leaders Think Tank:

This initiative, launched by Australia at the 11th APEC Finance Ministers Technical Working Group Meeting in Beijing in December 2000, aims at developing effective networks and promoting the exchange of ideas among the next generation of economic policy leaders. The Think Tank does not have a formal policy advisory role, but will report to Finance Ministers on the outcomes of its regular seminars focusing on economic issues of importance to the region.

The inaugural session was held in Sydney on 1-4 August, 2001. The participants were middle-ranking to senior APEC officials from government financial institutions such as Departments or Ministries of Treasury, Finance, Central Banks and Regulatory Agencies who have been identified as people that are likely to play a significant future leadership role in their respective economies and institutions. One of the main themes of the first Think Tank was the advent of the new economy and the issues and challenges it raises for APEC members, including corporate and economic governance. Ministers noted the submission of a strategic framework for financial and economic crisis prevention in the Asia-

Pacific region stemming from the Think Tank discussions. The second Think Tank considered the topic of "Regional Cross-Border Debt and Equity Markets: A Regulatory of Market Based Approach". Representatives from both the private and public sector participated in this Think Tank. Think Tank participants produce a report on their discussion and findings which is presented to Finance Ministers each year.

X. APEC Finance and Development Program:

The 8th AFMM endorsed the collaborative initiative of APEC Finance and Development Program proposed by P.R. China. The initiative aims to strengthen capacity building among APEC members in matters relating to finance and development, and in particular to implement the strategic objectives of APEC Finance Ministers' Process to promote sustainable and broad-based growth in the APEC region, and to develop stable and efficient financial markets. The World Bank joined P.R. China as the co-chair of the program.

The overarching theme of AFDP has been identified as Improving Financial Inter-mediation for Economic Growth, Development and Stability, and priorities will be given to three core areas: Capital Market Development, Finance for Small and Medium-sized Firms, and Cross Border Finance and Economic Development. The AFDP will mainly focus on training, and will provide 2-4 training sessions or workshops each year. The initiative will also provide financial support to around 10 research projects in the three-year period in order to provide reference for policy makers in the region. There will be one forum every year to allow timely exchange of views and dissemination of research results. The 2002 annual forum for APEC Finance and Development Program was held in Beijing on May 26 as the launching event of the Program. The first workshop on Strengthening Corporate Governance and Financial Institutions was held in Shanghai on August 5-8 back to back with ADB's Regional Seminar on Supervision of Market Intermediaries and Risk Management. Research plan is also under preparation.

XI. Development of Securitization and Credit Guarantee Market:

The new initiative, co-chaired by Hong-Kong, China; Korea and Thailand was endorsed at the 9th APEC Finance Ministers' Meeting Process in Los Cabos in September 2002. The new initiative aims to promote understanding and awareness of the importance of securitization and credit guarantee to bond market development in the region and to assist APEC economies to identify and take concrete steps to remove impediments to the development of securitization and credit guarantee market. The action oriented initiative would facilitate experience sharing among economies that are interested and committed in making the change.

It is envisaged that the initiative would be implemented through (i) organizing policy dialogues and workshops which would provide good opportunities for APEC economies to learn from each other; and (ii) the provision of experience sharing programmes to APEC economies in identifying impediments and developing detailed action plans.

VII. Annex 2:

APEC Action Plan on Combating the Financing of Terrorism

We, the Finance Ministers of the Asia Pacific Economic Cooperation Economies, remain fully engaged in the fight against the funding of terrorism and commit to reinvigorating our efforts on this issue. We endorse a comprehensive approach to preventing the funding of terrorism, including improved international cooperation and a greater focus on means of financing terrorism outside of the mainstream financial system.

Cut off Access for Terrorists to the International Financial System

- We, the APEC economies, subject to our respective domestic institutional arrangements, will freeze the assets of terrorists and their supporters without delay, and prevent them from accessing the international financial system. Each economy is encouraged to fully implement current laws on freezing terrorist assets and to ensure compliance and consistent reporting and to continue to improve its laws on freezing the assets of terrorists to ensure that no funds escape its financial system.

- We call for enhanced cooperation on designations of targets of regional interest. APEC economies will cooperate to identify and freeze the assets of terrorists and terrorist supporters.

Implementation of International Agreements and Standards

- Each APEC economy will continue to implement as soon as possible the relevant United Nations (UN) Security Council Resolutions, particularly UNSCR 1373 and 1390, as well as the UN Convention for the Suppression of the Financing of Terrorism and to report to the UN Counter-Terrorism Committee on all progress made on these initiatives.
- We encourage all APEC economies to implement the FATF's Special Eight Recommendations on terrorist financing and respond to the FATF Self-Assessment Questionnaire. We support the work of FATF in this area, in particular to the development of guidance notes on the implementation of the Special Eight Recommendations.
- We welcome the important recent decisions by the IMF and the World Bank to undertake comprehensive assessments of economies' adherence to the FATF 40 + 8 recommendations on fighting money laundering and terrorist financing, consistent with their respective mandates. We welcome the program of the IMF and the World Bank to begin conducting integrated and comprehensive assessments of efforts to combat money laundering and financing of terrorism, in consideration of the specific situation of each member.

Oversight of Alternative Remittance Systems and Non-Profit Organizations

- We recognize that hawala and other alternative remittance systems provide a valuable service in some areas, but remain concerned that they not be misused by terrorists and their supporters. We call upon our officials, in consultation with the IMF and the Multilateral Development Banks (MDBs), to identify and report back to us on the economic, structural and regulatory factors in the formal financial sector that encourage the use of alternative remittance systems.
- We welcome the recommendations developed by one of the regional FATF-style bodies on alternative remittance systems and underground banking systems. We call upon this group to develop best practices on alternative remittance systems.
- We support the efforts to combat the financing of terrorism shown in the Abu Dhabi Declaration on hawala issued May 16, and support regulating and monitoring hawala to ensure that terrorists and their followers do not abuse them.
- We will undertake to protect non-profit organizations and well-meaning donors from having their funds misused to support terrorists. We encourage FATF to develop best practices for preventing the abuse of charitable institutions by terrorists.

Law Enforcement Actions and Information Sharing

- Each APEC economy commits to criminalizing the financing of terrorism, as called for under the UN Convention for the Suppression of the Financing of Terrorism. This includes the willful provision and collection of funds, directly or indirectly, with the intention or knowledge of the intention to use those funds to carry out terrorist acts.
- Each APEC economy will increase its efforts to investigate and prosecute money launderers and terrorist financiers. We will work cooperatively to improve our ability to detect and target bulk cash movements that facilitate money laundering and terrorist financing, and to utilize cross-border cash laws, and commit to enhanced coordination.
- Each economy will establish a financial intelligence unit (FIU) or its equivalent as soon as possible in accordance with relevant international standards and take steps to enhance information sharing with other FIUs.

Technical Assistance

- We welcome FATF's efforts to identify economies worldwide for follow-up assessment and technical assistance. We call on the IMF and the MDBs, in consultation with the United Nations, to provide such assistance, in coordination with regional FATF-style bodies and donor nations, to avoid duplication.
- We call on regional financial institutions to become more involved in regional initiatives on terrorist financing and to provide technical assistance to improve economies' legal abilities to prevent the funding of terrorism.
- We commit to collaborate in the provision of technical assistance to economies worldwide that need help in developing and implementing necessary policies, laws, regulations, and institutions to combat terrorist financing and money laundering.

Expanding Efforts

- We fully support private sector initiatives such as the Wolfsberg Statement on the Suppression of the Financing of Terrorism and endorse cooperation between financial institutions and governments. The fight against the financing of terrorism requires the active participation of both financial intermediaries and the public sector. We urge financial supervisors and regulators around the world to continue to ensure their financial sectors are not abused by terrorists. In this context, we will intensify our efforts to deprive terrorist financiers access to our financial system by ensuring the ability of financial institutions to identify their customers. We attach importance to the need to improve practices and transaction for effective customer identification. To this end, we call on FATF to continue its work to enhance the 40 Recommendations in this area.
- We recognize that continued success in the fight against terrorist financing requires the close cooperation and commitment of the broad international community. We call upon regional and multilateral bodies, including Association of South East Asian Nations Regional Forum and the Pacific Islands Forum, to endorse this Action Plan and commit their own members to improving their efforts to fight terrorist financing. We therefore encourage all economies worldwide to join us in taking these measures.

**APEC Young Leaders and Entrepreneur Forum on the Development of Business with Social
Responsibility Statement and Recommendations
Monterrey, Nuevo Leon, Mexico
September 9-13, 2002**

We, the Young Leaders Forum from the APEC economies, thank Mexico's leadership for bringing us together in Monterrey Mexico, from September 9 to 13 to reaffirm our commitment to contribute to the economic growth, cooperation and prosperity of the APEC region and to meet the challenges of the new century.

As young leaders, we recognize that sharing information and best practices through cooperation and networking are ways to enhance our experience as young people. By coming together, we have begun a process of sharing our experiences and knowledge, and we shall build upon this foundation.

The theme of this year's meeting was Business Development with Social Responsibility, and therefore we recognize the contribution of socially responsible business practices to the increase of trade, investment, and sustainable economic growth.

The rapid transformation of society has changed living conditions for all types of human groups and not the least the youth generation. Radical transformation, within a globalization context has meant new opportunities and challenges for the youth generation within boundary-less nations. Those various changes affect human relationships, process of education and access to the labor market, and are also reflected in the ability for young people to become independent adults.

These new circumstances directly affect young people and make it essential that policies on accessing the world of education, labor market and capital within an age of knowledge and information technology are coordinated as means of supporting youth initiatives.

Young people are an ever more vital resource for renewal and innovation. For this reason, APEC members must appreciate not only the importance of youth as the true driving force of economies, but also their value as the best investment for the future.

Youth needs a secure and supporting environment so that they have the ability to defend their rights and have the courage and knowledge to take on their responsibilities, without restriction on their abilities, goals and dreams.

The response from APEC members must lead to a new awareness and recognition of young people as a distinctive group of society with its own identity, and specific socio-economic requirements and therefore to support it as a permanent partner in the APEC process.

In order to capitalize on the wealth of ideas and best practices shared in the Young Leaders Forum, we recommend that APEC leaders explore institutional mechanisms to create a sustainable structure for youth to come together each year as part of the official APEC program.

Toward that goal, we recommend that APEC Leaders mandate the celebration of the first ever Youth Ministerial Meeting in APEC as soon as possible.

Annex
Proposals from the APEC Young Leaders and Entrepreneurs Forum on the Development of Business with Social Responsibility

Highlights in Business Incubation

Young Leaders agreed that experience managerial skills and access to information are critical to business development. Entrepreneurial culture must be inculcated in early ages so it can be developed further as a result of continued education. The education must make emphasis on key elements pertinent to young people, such as, early start-up, risk taking and failure. For that education should change failure elements into a concept of learning process in apprenticeship.

Society and government shall assist these young entrepreneurs develop their ideas, by giving them confidence and providing them financial support. Fiscal incentives are a way to give young entrepreneurs a big opportunity to create new business and keep them in the market.

- **Entrepreneur's Development Assistance Training:**
 - Create and promote programs that can be effective guidelines for business start-up and development
 - Develop entrepreneurship training programs in areas like marketing, human resources, financing and management
 - Create financially accessible mentoring programs, favoring e-learning, to give confidence, guidance and access to information to the young
 - Promote internship programs for the young to learn about other markets potential and opportunities

- **The impact of innovation in the development of businesses:**
 - Increase the potential of young entrepreneurs by facilitating access to information and technology
 - Provide tools that can be used for start-up businesses such as information technology, e-marketing, and ways of financing their new ventures

- **Follow-up programs for new APEC businesses:**
 - Foster collaborative support among the economies providing encouragement of cross border business
 - Favor private and public institutions to support business growth, making emphasis on improving communication abilities.

- **Fiscal incentives for new businesses:**
 - Support tax incentives that benefit start-up business, such as three year free scheme for young entrepreneurs
 - Disseminate and promote governments support to young owned enterprises through reduced and simplified tax system.

- **Business incubation and economic development:**
 - Nurture a culture of entrepreneurship that fosters more jobs creation and improves regional economic growth
 - Foster an entrepreneurial vision throughout university education
 - Promote public and private business incubators that provide resources for young entrepreneurs
 - Support the integration of woman and minorities by providing equal opportunities and eliminating cultural barriers
 - Create a network between incubators from all economies
 - Create a permanent forum to provide the young a space for business opportunity, best practice sharing and where the young can be inspired by the entrepreneurial culture

Financing Young Businesses

The economic conditions of young people are determined, above all, by their opportunities in the labor market; but they are also affected by how the different systems of financing are designed. In this matter the role of government is to initiate new sources of debt and equity, taking in account the importance of the private financial intermediaries and their ability to provide funds for starting new business.

Young entrepreneurs should have their goals clear and have transparency in their projects and then, seek and pursue alternative ways to financing their projects.

- **Venture capital , private investment and warranty funds:**
 - Maximize the creation of new business by increasing availability of venture capital.
 - Seek ways to interest private investors in investing in young enterprises.
 - Develop a standard business plans models in order to build confidence between venture capital and young entrepreneurs from developed and developed countries.
- **Bank loans:**
 - Wide, as much as possible, the range and types of acceptable collaterals to include those that are realistically available for young entrepreneurs
 - Seek government support to improve access of funding and remove inappropriate barriers based on education, qualification, gender or age or credit experience that limit young entrepreneur's access to funds.
- **Private and public guaranty mutual funds:**
 - Promote the advantages of the benefits that the government gives and its programs.
 - Propose already proven government policy and its consequent organization's program that offer funding and other resources for the creation of small, medium and micro-enterprises.
- **Credit Unions and Cooperatives:**
 - Pool available resources, in an attempt to generate enough capital through joint efforts.

- Promote joint ventures between SMEs and large corporations within APEC economies so young business can act as suppliers.
- Promote the establishment of young venture forums to provide them with alternative education resources, training and access to venture capital.
- Ensure that cooperative and credit union funds reach rural and remote areas in order to allow funds for micro business start ups.
- **Evaluation of young businesses:**
 - Young people directing new businesses should not only focus on financial issues, but on the know-how, perseverance and on maintaining an open mind, risk taking spirit and taking special care of the social aspects of the business such as the social responsibility.
 - Integrate the notion of mentoring as an element of experience to evaluate young entrepreneur.

Education, Development and Business Culture

APEC young leaders recognize that the young population is facing a lack of skills, experience and unemployment, that is why the task of training and assisting individuals to set up their own businesses is needed.

There is an unevenness of regional distribution of educational skills and consultation of young entrepreneurs. There are neither enough means nor necessary tools for setting up competitive training. Special attention should be paid to ensure accessibility of education and consulting programs for entrepreneurs not only in quality but also in efficiency and effectiveness.

● **Education for Entrepreneur's Social Responsibility**

- Reach a common definition of APEC Social Responsibility Center, as a product of a reflection and discussion process involving different stakeholders such as entrepreneurs, NGO's and governments
- Increase the awareness of social responsibility and its practices among young entrepreneurs and the SMEs
- Create and APEC Research Center to measure the level of Social Responsibility awareness and the attitudes held by entrepreneurs. There will be the foundation for developing the Social Responsibility Curricula
- Increase collaboration among government, NGOs and business associations to communicate the message of social responsibility
- Enable and encourage entrepreneurs to attain the "Triple bottom line" goals of financial performance, social responsibility and environmental protection, through executive education and training
- Advocate government to set educational policies that include social responsibility in the core curriculum for primary and secondary, post secondary and higher education
- Give scholarships to support APEC Social Responsibility Center research and learning

● **Non Formal Education**

- Create non formal seminars related to the development of skills for unemployed young people
- Integrate social responsibility on social programs for young people

- **Institutional Entrepreneurship Programs**
 - Review and improve channels of information exchange in order to enable an effective way to integrate youth to policy making and evaluation.
 - Allow new alternatives for continuing education, so young can have more accessible sources of information and continued training, like e-learning and forums.
 - Create Programs focused in the deal with risk, social responsibility and adaptableness with the environment.
 - Establish a wider cooperation with business circles and educational organizations.

- **The role of government as support to young businesses.**
 - Establish procedures allowing consultation and participation of youth in decision-making processes with regards to implementation and follow up programs for the creation of new business.
 - Create and promote entrepreneur contests and simulation for all ages groups and allow them continuity with proper funding and due recognition to economic development.
 - Develop a regulatory and legal framework that enhances access to financing, information technology and markets.
 - Set business incubation centers to ensure the success of young business start-ups.
 - Promote by conferences and forums the benefits, advantages and opportunities of investing in member markets of the APEC.
 - Create entrepreneurs clubs where discussions of ideas can take place among entrepreneurs.
 - Simplify the process needed to establish a new business
 - Promote programs in which young entrepreneurs can be learn necessary skills to create successful business.

- **Human Preparation, Personal on Soft Skills for Young People**
 - Create a healthy environment in which youth's creativity, risk taking and economic independence with social responsibility is valued and encouraged.
 - Enhance and promote socially responsible entrepreneurship at an early age through the formal educational system taking into consideration the needs of both the rural and urban communities.
 - Review the channels for information dissemination and management frameworks. Create effective communication and information sharing mechanisms for accessing and transferring knowledge.
 - Greater participation of successful young entrepreneurs in established APEC.
 - Establish APEC scholarship initiatives in each of the 21 economies to promote the skills of young entrepreneurs.

APEC SECOND MINISTERIAL MEETING ON WOMEN

28–29 September 2002

Guadalajara, Mexico

Joint Ministerial Statement

1. We, the Ministers and their representatives from Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; The Republic of the Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand; The United States and Viet-Nam; representatives of the APEC Secretariat; observers from the Pacific Island Forum met in Guadalajara, Jalisco, Mexico, on 28th-29th of September 2002 in response to the recommendation made by the APEC Economic Leaders in Shanghai, China in 2001, to hold a Second Ministerial Meeting on Women (SMMW) in Mexico 2002, as an opportunity to make further progress on the integration of gender issues in APEC's work.
2. The main theme of the meeting was "Advancing Women's Economic Interests and Opportunities in the New Economy" with women's entrepreneurship, microenterprises and the impact of trade liberalisation on women as the three major sub-themes. Special attention was paid to the continuation of gender integration within APEC and the role of economies in sustaining this important work.
3. Globalisation is expected to deliver overall economic benefits. However, it also gives rise in the short term to adjustment costs, which are disproportionately borne by women, who predominate in the lower income groups and therefore are most vulnerable in times of economic restructuring associated with trade liberalisation and during periodic economic crises.
4. This is the Second Ministerial Meeting on Women, with the first being held in Manila, Philippines in October 1998. The First Ministerial Meeting set into motion the important work done on gender integration in APEC. The theme of the first Ministerial Meeting was "Women in Economic Development and Cooperation in APEC"; with regard to sub-themes, Small and Medium Enterprises, Science and Technology and Human Resources Development.

Gender Integration in APEC

5. We commend APEC on the actions taken to ensure gender integration and further participation of women across all APEC fora.
6. We recognise and applaud the work of the SOM Ad Hoc Task Force on the Integration of Women in APEC, chaired by New Zealand, Canada and the Philippines, in developing the Framework for the Integration of Women in APEC ("Framework"), as well as the Ad Hoc Advisory Group on Gender Integration (AGGI), chaired by Korea and Australia, on the work accomplished to date.
7. AGGI has successfully completed each of the five critical tasks assigned by Senior Officials, as follows:
 - Developed and recommended gender criteria for use, as appropriate, in project proposals, approval and evaluation (led by Australia);
 - Developed and recommended format and processes for annual monitoring by SOM of the progress achieved in the implementation of the *Framework*, and analysed the results;
 - Developed and conducted gender information sessions and provided gender advice to most APEC fora on the *Framework* (led by the Philippines);
 - Published the compilation of best practices on gender integration in APEC fora and economies (led by Canada);
 - Conducted and developed a gender statistics workshop focused on use and analysis of sex-disaggregated data to evaluate the status and contribution of women and men in APEC economies, (led by the United States).
8. AGGI has also met the final task assigned, to provide recommendations on the next steps in gender integration and the further implementation of the Framework.

9. Canada, on behalf of AGGI, funded and undertook a Review of Gender Integration in APEC to document how APEC mechanisms have been integrating gender between ministerial meetings. Progress has been achieved in raising awareness of gender integration across APEC fora. There is widespread recognition of the relevance of gender to APEC's work, although there is a view that gender integration is more relevant to some fora than others.
10. The next step for APEC is to deepen its capacity to address gender concerns in its substantive work, focusing on priority issues such as trade. In crosscutting issues such as gender, the support of the APEC Secretariat is invaluable in ensuring that these issues are incorporated into the work of APEC fora. Key factors will be an investment in gender expertise within the APEC Secretariat and in APEC's sectoral fora, backed up by vigorous and creative initiatives to communicate the relevance of gender to APEC's ECOTECH and TILF agendas.
11. We recognise the pioneering role played by the Women Leaders' Network (WLN) in introducing gender issues into APEC's work. We look forward to WLN's contribution to and support for the Gender Focal Point Network.
12. The ability to describe and measure the economic activity of women is critical to addressing barriers to their participation in the economy. The lack of data makes it difficult to identify areas where women's representation is markedly different to that of men and allows distortions in policy and business environments, making policy interventions difficult. We welcome the APEC study on sex-disaggregated data that will delineate the areas where women and men participate in economic activities in the APEC region and will make recommendations for improvements in data collection and analysis.

Advancing Women's Economic Interests and Opportunities in the New Economy

13. Globalisation can be a powerful force for stimulating growth and development in the region with resulting higher living standards and improved social well-being for our communities. However, vulnerabilities in certain labour markets limit the extent of these benefits. We resolve to work to ensure that the challenges globalisation presents for women, including indigenous women, are met and that the benefits of structural reform and a globalised marketplace reach all our communities, including the most disadvantaged.
14. In order to achieve full benefits of economic integration and economic restructuring brought by the New Economy, APEC members recognize the need to eliminate gender inequalities in all aspects of social and economic life, recognising the value of the multiple roles that women play in the economy, as well as recognising the double burden of paid and unpaid work. We also recognize the significant contribution of women in APEC economies and that society, as a whole, will gain from equal participation in policy and decision-making processes.

Women entrepreneurs

15. Women-owned or managed businesses have become a significant economic power as well as a major economic instrument for sustainable development. Gender equality is a prerequisite for the promotion of women's opportunities and participation in business activities at all sectors, as there are continuing barriers for women in their access to resources (credit, skills training, policy environment, among others).
16. To achieve APEC's goal of promoting regional prosperity and improving the well being of people, the economic policies and programs of APEC members must support women's participation in various economic activities and entrepreneurial development.
17. We were pleased to have an extensive and informative dialogue with business women and women entrepreneurs who attended the Ministerial Meeting and we encourage increased exchange of information with women experts by all APEC fora.

Women's microenterprises

18. We recognize that microenterprises are especially important to women, as their entrepreneurship activity is concentrated in micro businesses. One of the main challenges women face is their lack of ownership of assets to be used as collateral for credit. Microfinance organizations that serve people without access to traditional financial services are filling that void. Microfinance is not a

panacea. It must be complemented by other business services, such as market access, and efforts to improve the enabling environment for microenterprises.

19. We acknowledged that APEC is well suited to play a leading role in contributing to the integration of microenterprises in the globalisation process. We welcomed the efforts undertaken during APEC 2002 to explore ways to assist people engaged in microenterprises reap the benefits of open markets and globalisation.
20. Microenterprise development is a key part of making progress towards APEC objectives in terms of gender equity, poverty alleviation, and economic growth. Thus we welcome the creation of a sub-group within the SMEWG to address microenterprise development and encourage the sub-group to recognize the unique challenges faced by women when developing its terms of reference and action plan.

Women and trade liberalisation

21. We commend APEC's trade and investment liberalisation efforts which have resulted in strong regional economic growth and development. This regional growth has also resulted in increased participation by women in all facets of the economic life of the region.
22. APEC's experience demonstrates that globalisation can be a positive force for reducing poverty and therefore can improve the lives of women. However, the positive outcomes have not been evenly spread across all economic sectors. Much remains to be done to ensure that women reap the benefits of trade liberalisation and, particularly, that rural women and women working in traditional industries have access to the improvements in standard of living which flow from responsible, comprehensive liberalisation policies. We urge member economies to consider the negative impact on rural women and their communities of continuing high levels of agricultural protectionism. We encourage member economies to pay attention to women who are dislocated through structural changes (such as in low-skill manufacturing industries) as a result of trade liberalisation.
23. The gender dimension of trade liberalisation has so far received little attention within APEC. There are significant differences in the ways that trade liberalisation affects men and women. We recognise that in some sectors women may bear a disproportionate share of the costs of trade liberalisation, such as job losses and inferior work conditions, in addition to exacerbating existing gender inequalities. These differences must be taken into account when policies and programs are being designed so that trade liberalisation truly contributes to "shared prosperity for all".
24. Better information is the first pre-requisite for the design of more effective policy responses relating to economic restructuring, including trade liberalisation. Further research and more systematic and comprehensive sex-disaggregated data are needed in assessing the impacts of trade liberalisation on women.

Women and information technology

25. Information and communication technology (ICT) is one of the fastest growing fields in the world economy today. However, women are still faced with many obstacles. While the gap in internet access between women and men is decreasing, there is a new form of divide. The gender digital divide in terms of qualitative access to the Internet is growing. Policies and projects should be devised and implemented to ensure that women gain quality access to this field and enjoy the benefits.
26. We support APEC's human capacity-building work and the impetus within APEC for the spread of ICT, including the APEC Leaders 2000 Brunei Internet Access Goals, to assist in overcoming the digital divide. We recommend that all APEC members and fora consider gender perspectives and work actively to eliminate barriers to the participation of women in new technologies and the new economy.

Recommendations

We recognise the important steps that have been taken to integrate gender into APEC processes and activities. We strongly urge APEC to build on these efforts by:

- Continuing to promote gender integration and recognise gender as a cross-cutting issue in APEC;

- Reviewing and assessing the progress toward the implementation of the *Framework for the Integration of Women in APEC*;
- Considering issues relevant to women's economic interests and opportunities;
- Acknowledging the gender integration achievements within APEC and APEC economies.

We seek the endorsement of APEC Leaders to:

1. Mandate the implementation of the Gender Focal Point Network (GFPN), with its roles and responsibilities and recommend that this network be implemented immediately by directing that:
 - All fora appoint a Gender Focal Point and call upon economies to appoint their Economy Gender Focal Point to be active members of the GFPN.
 - The role of the Women Leaders' Network and ABAC be supported to play an active role in the Gender Focal Point Network.
 - The Gender Focal Point Network develops an Action Plan to outline the substantive work that APEC needs to undertake for the periods between each Ministerial Meeting.
 - Biennial Ministerial Meetings on Women are held to sustain the momentum and leadership for gender integration.
2. Intensify the work of APEC and APEC economies on the three elements of the *Framework*, namely gender analysis, sex-disaggregated data and the participation of women, designed to bring about a better understanding of the gender-differentiated impact of economic adjustment brought by the New Economy through:
 - a) **Gender-analysis:** APEC fora should intensify the integration of a gender perspective and analysis in their work, by promoting more gender and trade projects and studies combined with a vigorous communications strategy to disseminate the results.
 - b) **Sex-disaggregated data:** APEC economies should address the need for more systematic and comprehensive collection of sex-disaggregated data and on the contribution of unpaid work of women, for example through the APEC sex-disaggregated data study.
 - c) **Participation of women.** APEC economies to identify women experts with a view to increasing the participation of women in all APEC activities including more appointments of women in APEC fora, as well as in the APEC Business Advisory Council (ABAC) and the APEC Secretariat.
3. Acknowledge the importance of developing data indicators and conducting time use surveys of women's unpaid work in order to better assess and measure the contribution of women to the economy.
4. Encourage APEC economies to develop and review laws and regulations relating to gender inequalities in working conditions as well as support the development of women entrepreneurs through measures such as access to business development programs, export financing schemes and market access programs.
5. In recognising the unique contribution of indigenous peoples to their economies, we request APEC economies and related fora to enable the participation of indigenous women and to encourage research that reflects their experiences with a view to addressing the specific challenges they face from trade liberalisation.
6. Urge APEC economies to enhance the capacity of micro, small and medium enterprises to thrive and participate in international trade, recognising the importance of this sector for women's participation in economic development.
7. Address the significant unmet demand for credit, savings, and other financial services among the low-income populations, especially women, by encouraging the development of commercially based microfinance institutions.
8. Target microenterprise assistance to business and market development programs for micro businesses, and to capacity building for the institutions that serve them.
9. Facilitate exchange of information within APEC on best practices in microenterprise development, financial services, and regulation and supervision of microfinance institutions in order to create an enabling environment for microenterprises.

10. Address the significant differences in the ways that trade liberalisation affects men and women. These differences must be taken into account to facilitate the better design and more accurate targeting of policies to ensure that trade liberalisation truly contributes to “shared prosperity for all”.
11. Encourage APEC economies to support research, underpinned by sex-disaggregated data, designed to bring about a better understanding of the gender-differentiated impact of trade liberalisation.
12. Urge APEC economies to address the inequalities faced by women workers caused by industry restructuring due to trade liberalisation. Economies, relevant fora, including the Committee on Trade and Investment (CTI) and the Economic Committee (EC), are encouraged to address:
 - The need for active labour-market measures to mitigate the impact of trade liberalisation, for example non-standard work conditions of women.
 - The provision of adequate social safety nets that take account of the particular situations of women who are displaced or dislocated.
 - The reduction and eventual elimination of labour market inequalities, including through the exchange of best practices in equal employment opportunities.
 - The development and promotion of policies that balance work and family life, in particular care giving, and that take adequate account of women’s disproportionate share of the burden of unpaid work.
13. Encourage APEC economies to provide facilities and equipment that enhance women’s and girls’ capacity and involvement in ICTs and the knowledge-based economy. In particular, APEC economies should continue to evaluate, monitor and improve the situation of women, to enable full participation in the digital economy through access to education, access to knowledge and access to opportunity.
14. We urge all APEC economies to contribute to a shared prosperity within a secure region for the benefit of women, their businesses and their communities.

Final Comments

15. We wish to express our sincere appreciation to Mexico and the National Institute for Women for their warm hospitality, and thank all those involved in ensuring that this Meeting was a great success.