

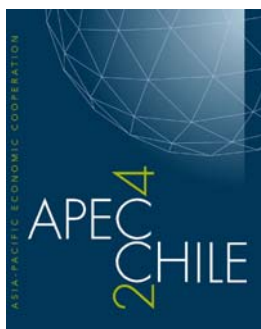


Asia-Pacific
Economic Cooperation

2004/AMM/025
Agenda Item: XIV

Report on APEC Sectoral Ministerial Meetings Held in 2004

Purpose: Information
Submitted by: APEC Secretariat



16th APEC Ministerial Meeting
Santiago, Chile
17-18 November 2004

Executive Summary

Background Information:

Eight different APEC Sectoral Meetings were held during 2004, throughout the region. They covered extensive agendas that dealt with important matters necessary to move forward towards achieving the ultimate goals of APEC. They were:

- The 4th APEC Meeting of Science Ministers, Christchurch, New Zealand, 10 – 12 March, 2004
- APEC Education Ministerial Meeting, Santiago, Chile, 29 – 30 April, 2004
- VI APEC Energy Ministers Meeting, Makati City, Philippines, 10 June, 2004
- First Meeting of APEC Ministers Responsible for Mining, Antofagasta, Chile, 16-17 June, 2004
- 4th APEC Transportation Ministers' Meeting, Bali, Indonesia, 27 – 29 July, 2004
- 11th APEC Finance Ministers Meeting, Santiago, Chile, 2 – 3 September, 2004
- 11th Small and Medium Enterprise Ministerial Meeting, Santiago, Chile, 6 – 7 October, 2004
- 3rd APEC Tourism Ministerial Meeting, Punta Arenas, Patagonia, Chile, 13 – 14 October 2004.

Together with discussing relevant issues of their specific concern, the sectoral ministers also set guidelines for future works that need to be undertaken to continue progressing in their respective sectors and identified areas in which collaboration with other sectors are deemed necessary. The final statements of the Ministerials capture these discussions and include important recommendations to the APEC Joint Ministerial Meeting.

The main outcomes of the meetings together with other relevant information are included in the main body of this report. Included as attachments are the respective thematic agenda of each sectoral ministerial together with the complete version of the final statement.

Recommendations

It is recommended that AMM:

Take note of the Report

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THE 4TH MEETING OF APEC SCIENCE MINISTERS

“Enhancing the capacity of science, technology and innovation to deliver sustainable growth across the APEC region”

Date : 10-12 March 2004

Venue : Christchurch, New Zealand

Main Outcomes

The overall concept behind the meeting was connecting Research, Policy and Business.

During the meeting, two associated events were held:

- an Innovation Showcase comprising an exhibition, investment symposia and sector visits;
- the 5th APEC R&D Leaders’ Forum, which included a joint session with Science Ministers.

Inspired by the main theme, the meeting evolved around four agreed policy issues: human capacity building; international science & technology networks; connecting research and innovation; strengthening technological cooperation and encouraging best practice in strategic planning.

Policy considerations

Reflecting that this was the first time they had met since 1998, APEC Science Ministers noted the challenges facing the sector. These included:

- the impact of globalization on how researchers and policy makers work together, and how scientific information is made available and used;
- how international cooperation has been spurred by the increasing complexity, cost and pace of science and innovation;
- how to ensure an adequate supply of science and innovation personnel with the necessary skills to manage science and innovation processes.

Ministers discussed the key policy issues, and agreed on areas of work for the Industrial Science and Technology Working Group – ISTWG - where necessary working in conjunction with other APEC groups is needed. These are:

- to consider the development of curricula that incorporate science, research and innovation with business and innovation;
- to recognize the importance of existing networks in areas such as climate, Ministers asked ISTWG to study existing APEC networks, in order to identify best practice principles that underlie the establishment and operation of successful networks;
- to review ways in which public research institutions are evaluated and to consider the need for additional factors to be measured, for instance commercialization outputs;

- to compare current practices in national strategic planning, including foresighting techniques, to try and define best practice that is most relevant to member economies.

A retreat was held to enable Ministers to hold discussions in an informal atmosphere and setting, and with no prepared papers. The theme was Science and Society. Ministers agreed that there needs to be more and better engagement between the scientific community and society in APEC economies, including the communication of the benefits and risks arising from research.

Cross-sectoral topics

Issues being discussed by Science Ministers proved relevant to a number of other APEC groups and sector ministerial meetings, such as the Human Resource Development and Energy Working Groups, as well as the APEC Education Ministers Meeting.

The recommendations on sustainable growth go beyond ISTWG's responsibility. Therefore, they will be presented for consideration by the 16th APEC Ministers' Meeting in November 2004.

Within the overall theme of sustainability, Ministers also:

- noted the need for collaboration with the Energy Working Group on research into the hydrogen economy;
- discussed the development of the implementation plan for global Earth observations;
- encouraged cooperation amongst the relevant APEC bodies to enhance the contribution that APEC's science and technology efforts can make to APEC health priorities.
-

The results of the ministerial meeting were disclosed in a Communiqué, which sets out a comprehensive programme of future work for ISTWG.

Shaping the programme around pre-agreed policy themes, rather than prepared statements, encouraged ministers to focus on topics that are important to maximize the contribution of science and technology to sustainable growth. As a result, the Communiqué reflects a genuine exchange of views and provides clear guidance for future APEC activities in the area of science and technology.

Note: for a version of thematic Agenda and a complete version of the Declaration, please see Annex A

APEC Education Ministerial Meeting

“Skills for the Coming Challenges”

Date : 29-30 April 2004

Venue : Santiago, Chile

Main Outcomes

The 3rd AEMM reflected on the main theme and the four sub-themes agreed at the 25th Human Resource Development Working Group Meeting in Kuala Lumpur, Malaysia in July 2004.

The four sub-themes are:

- Teaching English and other Foreign Languages;
- Stimulating Learning in Mathematics and Science;
- Using ICT for Teaching and Learning; and
- Governance and Systemic Reform in Education

The common core of the four sub-themes is the quality of learning.

A summary of the recommendations on the four sub-themes are as follows:

Teaching English and other Foreign Languages

- Curriculum and Standards- It is important to achieve a balance between existing programmes and emerging needs. Key priority should be given to develop clear standards and testing system to support teacher language accreditation and to define clear standards for student learning and appropriate assessment systems.
- Exchange and Development- It is recommended to build on strengths of each economy through networking and collaborative initiatives.
- Research- Cooperate in relevant research projects, with clear identification of collaborative roles.
- Resource Leverage- Make the best use of resources available for research, networking and collaborative initiatives.

Teaching of Mathematics and Science

- Build an online professional development network;
- Use all opportunities to share knowledge;
- Research on how best to integrate instruction in science, technology and mathematics;
- Promote the use of evidence-based educational policies and practices throughout APEC; and
- Build on existing cognitive research.

Using ICT for Teaching and Learning

- Establishing communities of practice, both online and onsite to share knowledge among students, teachers, researchers, parents, policy makers and other stakeholders among APEC communities;
- Collaborate on research and development; and
- Integration of ICT literacy into teaching and learning

Governance and Systemic Reform in Education

- Effective governance including transparent, accountable, regulatory, accreditation and quality assurance systems and also policy and programme delivery;
- Build the capacity of individuals at the local and central levels of government;
- Strengthen ties between schools/education training institutions and local communities; and
- Share best practices in higher education reform including quality assurance systems and international benchmarking

Note: for a version of thematic Agenda and a complete version of the Declaration, please see Annex B

VI APEC Energy Ministers' Meeting

“Energy Security in APEC: Cooperation for a Sustainable Future”

Date : 10 June 2004

Venue : Makati City, Philippines

AGENDA ITEMS INCLUDED

- The APEC Regions' Energy Outlook and Key Security Issues
- Short and Long-term Energy Issues including:
 - APEC Energy Security Initiative
 - APEC Energy Security Initiative Implementation Plan
 - APEC Action Plan to Enhance Energy Security
- Government –Private Sector Dialogue including:
 - Ten priorities for financing energy infrastructure projects within the APEC region

Main Outcomes:

Ministers committed to enhancing energy security and instructed the Energy Working Group - EWG - to continue a broad-based approach to energy security. Initiatives in this area are to be developed and implemented in close cooperation with business, research and financial communities.

In responding to Energy Security Challenges Ministers agreed to prepare for energy supply disruptions by committing to having emergency and contingency plans in place, establishing and maintaining readiness to respond to oil market disruptions and oil market volatility by sharing data, information and experiences, and to build capacity to collect data and to monitor efforts to strengthen sea-lane security.

Ministers agreed to facilitate energy investment by engaging private sector and financial institutions and to reduce investment risk through policy and regulatory mechanisms. They directed the EWG to implement recommendations of the Energy Investment Report and reconfirmed their commitment to encourage the implementation of best practices previously endorsed for investment in the natural gas and electricity sectors.

Ministers agreed to use energy more efficiently by implementing an Energy Efficiency Pledge and Review Program, encouraging member economies to participate in the Energy Standards and Labeling Cooperation Initiative and to broaden the scope of work on energy efficiency to include other energy intensive sectors.

Ministers agreed to expand energy choices by supporting the creation of a competitive and transparent marketplace, and encouraged interested economies to cooperate on the nuclear framework as endorsed by the EWG and they supported research on the potential of methane hydrates as a future energy source.

To capitalize on technological innovation Ministers directed the EWG to: continue work in the areas of clean fossil energy, carbon dioxide capture and geological sequestration, implement the recommendations identified in the Interim Framework Document on hydrogen and Fuel Cells; and accelerated cooperation on the development of alternate fuels.

Note: for a version of thematic Agenda and a complete version of the Declaration, please see Annex C

FIRST MEETING OF APEC MINISTERS RESPONSIBLE FOR MINING

“Sustainable Development & Free Trade and Investment in the Mining Sector Key Issues”

Date : 16-17 June 2004

Venue : Antofagasta, Chile

Main Outcomes

It is the first time in APEC history that ministers responsible for mining met to discuss about cooperation in the specific areas of minerals and metals.

At their first meeting and in their statement released at the end of the meeting, APEC Mining Ministers sent strong and collective messages on behalf of APEC to other organizations such as EU, the European Commission, the WTO, UNCSD and the Basel Convention, expressing their serious concerns on tariff and non-tariff measures imposed on trade and investment in minerals and metals.

The Chair of the meeting, the Chilean Mining Minister, entrusted by his counterparts of other APEC economies wrote to the European Commission, expressing articulately their concerns over the EC's REACH program.

Other major decisions also reached by the Ministerial Meeting are:

A) Sustainable Development

APEC Mining Ministers agreed that the sustainable development of the mining and metals industry in the APEC Region enhances wealth creation, environmental outcomes and socially responsible development and result in enhanced value for society. To realize the sustainable development target, APEC economies should:

- Support and promote initiatives that contribute to meet sustainable development in the mining and metals industry.
- Promote a cleaner and more efficient production, building on the significant efforts being made by the industry globally to address the environmental, economic and social impacts and benefits of minerals and metals.
- Apply best practices through collaboration between member economies to such areas as technical and capacity-building support to address small scale mining and legacy issues including rehabilitation of mining sites.
- Foster a culture of harmony between the mining industry and local populations influenced by mining operations.

B) Trade and Investment Liberalization and Facilitation

APEC Mining Ministers recognized that trade and investment liberalization and facilitation of minerals and metals improve the economic and social conditions of APEC economies. They decided that these actions need to be taken to move forward towards the Bogor goals:

- Identify the tariff and non tariff related issues for minerals and metals in the APEC context.
- Recognize the importance of detecting future prospects for trade and investment facilitation in the mining and metals industry.
- Make efforts to identify, analyze and foresee regulatory trends for minerals and metals.
- Recognize the desire of APEC economies to expand trade in minerals, metals and mining-related goods, services and technologies.
- Recognize the importance of working towards facilitating investment in the mining and metals industry and therefore the balance between supply and demand in order to support development of APEC economies.
- Recognize the importance of the mining and metals industry to APEC economies development goals and the need to understand the supply and demand outlook for minerals and metals, and the ability of this industry to meet this demand.

C) Implementation Plan to be formulated by GEMEED

The Group of Experts on Minerals and Energy Exploration and Development – GEMEED - was instructed to develop and coordinate the working plan which will be reported to future Ministers Responsible for Mining and should include the following issues:

- Increase, improve and coordinate the flow and exchange of information and experiences in the mining and metals industry, including the restructuring of the GEMEED's Minerals and Energy Information Network;
- Promote cooperation of scientific and technological research and development in minerals and metals, within the framework of APEC-ECOTECH principles;
- Examine mechanisms to work more closely with the industry, including through the APEC Business Advisory Council (ABAC);
- Promote minerals and metals issues in other APEC For a; and
- Undertake an assessment of the state of trade and investment liberalization and facilitation of minerals and metals in APEC economies.

Note: for a version of thematic Agenda and a complete version of the Declaration, please see Annex D

4th APEC Transportation Ministers' Meeting

“The Road to Bogor: Achieving free and open trade and investment with safe and secure transportation”

Date : 27-29 July 2004

Venue : Bali, Indonesia

AGENDA ITEMS INCLUDED

Transportation issues in the areas of trade liberalization, human capacity development, safety and security, and strengthening Government-private sector Dialogue.

Main Outcomes

In their final Declaration, Ministers:

- exchanged views on trade liberalization in the transportation sector. They agreed that trade liberalization in this sector should contribute to the human capacity development and safety and security in transportation with a view to implementing the Bogor Goals in transportation sector.
- emphasized the importance of trade facilitation while intensifying economic and technical cooperation.
- reiterated their strong condemnation against acts of terrorism in all its forms and manifestations.
- discussed a number of concrete measures carried out by APEC economies to secure transportation systems and agreed that these measures will make certain that the freedom of movement for people and goods will be ensured. In this regard, the Ministers underscored the significance of the highest possible standards of efficiency, safety, security and environmental sustainability for transportation systems.
- recognized the need to reduce the capacity constraint in the transportation system so that people, goods and services can move safely and freely.

The meeting deliberated on the priorities for the future to address the challenges to the transportation sector, as well as the implementation plan to undertake the priorities that have been decided upon. These priorities are:

- a) Implementing the Bogor Goals on Free and open trade and investment;
- b) Harnessing new technologies and best practices;
- c) Improving transport safety;
- d) Implementing the goals of leaders statement on counter terrorism to curb terrorist threat against all modes of transportation;
- e) Implementing the STAR initiatives
- f) Improving human capacity and institutional development
- g) Cooperation with international organizations such as ICAO, IMO, ILO without duplication.
- h) Supporting the WTO through trade facilitation measures

Note: for a version of thematic Agenda and a complete version of the Declaration, please see Annex E

11th APEC Finance Ministers' Meeting

“Fiscal Policies for Growth and Stability in an Open APEC Region” “Institution Building in a World of Free and Volatile Capital Flows”

Date : 2-3 September, 2004

Venue : Santiago, Chile

Main Outcomes

In discussing the themes, the Ministers emphasized that to reap the benefits of enhanced openness and integration, member economies must have in place policies and institutions that lead to sustainable, broad-based and equitable growth in the region.

Fiscal Policies for growth and stability in an open APEC region

The Ministers acknowledged the importance of disciplined and sustainable fiscal policies for their contribution to long-term growth and macroeconomic stability. Sustainable fiscal policies keep public indebtedness within limits that help to ensure continued access to international capital markets and reduce external vulnerability. At the same time, such policies allow social and investment expenditures to be maintained during economic downturns. Fiscal discipline will also help governments to better face the future fiscal challenges associated with population ageing.

Transparency is a key element for fiscal credibility and accountability, and hence for good governance. They recognized that there is no single way of inducing fiscal discipline and that properly designed fiscal rules can be useful tools to guide fiscal policy.

The Ministers were pleased with the significant progress being made in a number of APEC economies in strengthening fiscal institutions and agreed to continue building on the progress made in order to address current and future challenges to fiscal sustainability.

Institution building in a world of free and volatile capital flows

The Ministers stressed that financial integration can contribute to growth and economic development through benefits that include reductions in the cost of capital, greater technology transfers, increased investment opportunities, improved competitiveness in domestic financial markets and lower consumption volatility. However, they also recognized that freer capital flows can heighten vulnerabilities, especially in emerging market economies, increasing the importance of sound economic policies, strong institutions, and appropriately sequenced liberalization. They noted also that additional efforts at the international level can be helpful in this regard and highlighted the importance of enhancing the resilience of markets and institutions to growing capital flows.

Finally, the Ministers reaffirmed their support for the Bogor Goals as useful tools to promote sustainable and broad-based growth in the APEC region.

Note: for a version of thematic Agenda and a complete version of the Declaration, please see Annex F

11th Small and Medium Enterprise Ministerial Meeting

“Opportunities for Entrepreneurial Growth”

Date : 6-7 October 2004

Venue : Santiago, Chile

In line with the Chile APEC 2004 theme of “One Community, Our Future”, the policy theme was coined with the aim to identify the best entrepreneurial practices in the APEC community.

Main Outcomes

Santiago Agenda on Entrepreneurship

Ministers adopted the “Santiago Agenda on Entrepreneurship” which recognized two significant factors that allow SMEs to flourish.

First, it is the enabling business environment that encourages the formation and growth of enterprises. Such an environment is characterized by stable macro and microeconomic policies that are business-friendly; legal and governance systems that uphold the rule of law; a regulatory framework that is facilitative of sustainable business growth; and, a culture that supports and rewards entrepreneurial endeavors.

Secondly, Governments should assist in realizing the potential of the SMEs in their economies by providing support for SME growth and by removing barriers that impede their growth.

Ministers will submit the “Santiago Agenda on Entrepreneurship” to the meetings of the APEC Foreign and Trade Ministers as well as Economic Leaders to be held in November in Chile, as a concrete outcome of the 11th APEC SME Ministerial Meeting. An endorsement by the Foreign and Trade Ministers, and Leaders will underline the importance of the APEC process in developing and supporting the requisite policy environment for the emergence of Micro Enterprises (MEs) and SMEs with the region. It will also enhance the linkage between the entrepreneurial process, job creation, and income generation for the wider APEC population.

APEC Micro-enterprise Action Plan

Ministers reaffirmed their commitment to the Micro Enterprises Sub Group and commended the progress made by the Sub Group in further strengthening its role. In recognizing ME is a unique sector of the economy, Ministers noted the need for better participation by ME

specialists in the Sub Group. They encouraged economies to invite appropriate ME agencies and experts to be the Sub Group focal points.

APEC SME Coordination Framework

Ministers reiterated the importance of coordinating APEC efforts and activities directed towards promoting the growth and competitiveness of SMEs across all fora. This echoes the objectives approved by SOM, as outlined in the “APEC SME Coordination Framework”.

Ministers encouraged the SMEWG to continue its coordination role and to make efforts to further publicize/promote the Framework across all APEC fora. The SMEWG should also request that other fora communicate on a regular basis on proposals that will benefit SMEs and seek the input of the SMEWG as necessary. This will give recognition that the SMEWG has expertise in SME matters and that it will provide direction and add value to the efforts undertaken by all fora regarding SMEs.

English and Other Languages as Business Tools

Ministers welcomed the results of the Third APEC Education Ministers’ Meeting, and especially their work on best practices for the teaching of English and other languages as business tools. Ministers requested that their officials cooperate with the Education Network (EDNET) in order to identify specific actions towards the collective development of a Strategic Plan for English and other Languages in the APEC Region. This will encourage greater mobility and assist SMEs and MEs in meeting the challenges posed by globalization.

Secure Business Environment

Ministers recognized that terrorist attacks in the APEC region have engendered new requirements to secure the movement of people and goods. These are affecting the business environment for SMEs in the region. They supported APEC’s commitment to undertake security measures related to trade, but recognized the need to address the business community’s concerns about the increasing costs generated by security-related measures.

Note: for a version of thematic Agenda and a complete version of the Declaration, please see Annex G

3rd APEC Tourism Ministerial Meeting (TMM)

“Exploring our Diversity”

Date : 13-14 October 2004

Venue : Punta Arenas, Patagonia-Chile

Main Outcomes

The theme of the 3rd TMM underpinned the importance of strengthening cultural, environmental and economic sustainability of Tourism in the region.

Patagonia Declaration

This is the main deliverable of the 3rd TMM and contains key issues to be followed up by the Tourism Working Group including:

- Ensure a work program that addresses challenges affecting tourism in the coming years, for consideration by the Ministers in 2006. Such challenges should include but not limited to:
 - 1) safety and security;
 - 2) policy and regulation;
 - 3) measuring sustainability;
 - 4) classification and accreditation;
 - 5) infrastructure; and
 - 6) niche product development, such as sports tourism, health tourism and others.
- Continue to work on Tourism Satellite Accounts to measure the precise value of tourism in their economies and underline the need to implement crisis management plans and to facilitate intra regional cooperation as well as promote timely infrastructure development and information exchange within the APEC Region.
- Enhance ties with the APEC Small and Medium Enterprises Working Group; the Human Resources Development Working Group; the Health Task Force and the Counter Terrorism Task Force and other such fora that are of particular relevance to tourism, for increasing mobility and the safety and security of business people, tourists as well as response to crisis situations affecting the region. In addition, there should be closer ties with the APEC Women’s Leaders’ Network to foster the greater inclusion of women as travellers and tourism entrepreneurs.
- Must continue to work in partnership with the private sector to address issues in the tourism sector.

Note: for a version of thematic Agenda and a complete version of the Declaration, please see Annex H

Communiqué

**4th APEC SCIENCE MINISTERS' MEETING,
10-12 MARCH 2004, CHRISTCHURCH, NEW ZEALAND**

Introduction

We, the Science Ministers and other Heads of Delegation of Australia, Brunei Darussalam, Canada, Chile, the Peoples' Republic of China, Hong Kong China, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Republic of the Philippines, Russia, Singapore, Chinese Taipei, Thailand, the United States, and Viet Nam met from 10-12 March 2004. Representatives from the APEC Secretariat were also present.

We are grateful to the New Zealand Minister for Research, Science & Technology, Hon Pete Hodgson, for his generous hospitality and effective chairing of the meeting. We also commend the organisers of the ministerial meeting and the two associated events for their efficient arrangements, which have ensured a productive and enjoyable event.

We welcomed the participation of Pacific Economic Cooperation Council (PECC) and the European Commission.

Connecting Science, Policy and Business

The activities of governments, researchers, entrepreneurs and investors need to be closely interlinked to ensure each economy gains the maximum benefit from science, technology and innovation.

Therefore, we welcomed New Zealand's initiative in arranging for our meeting to be held in conjunction with the APEC R&D Leaders' Forum and an Innovation Showcase. These associated events have enabled us to benefit from interaction with research leaders, innovative businesses, and investors.

Ministers enjoyed discussing a wide range of issues with leading R&D people from the APEC region. The report of the R&D Leaders' Forum is attached.

We commend the hosts of future meetings of APEC Science Ministers to consider a similar programme of events.

The theme of the ministerial meeting

The theme for our meeting, agreed by the Industrial Science & Technology Working Group (ISTWG) in May 2003, was:

Enhancing the capacity of science, technology & innovation to deliver sustainable growth across the APEC region.

Within that heading are four agreed key policy issues, ie:

- human capacity building,
- international Science and Technology (S&T) networks,
- connecting research and innovation,
- strengthening technological cooperation and encouraging best practice in strategic planning.

We appreciate the role which Korea, Australia, Canada and Thailand have played in leading the drafting groups on these issues.

Outcomes from this meeting

Recent statements by APEC Leaders and Ministers recognise the importance of promoting S&T cooperation in order to ensure the long-term economic growth of APEC economies, and of supporting global efforts to address significant sustainability issues.

During the Ministerial Retreat, which focussed on science and society, we:

- agreed there needed to be more and better engagement between the scientific community and society in APEC economies, including the communication of benefits and risks arising from research; and
- welcomed the offer by Australia's National Science and Technology Centre, to coordinate the development and implementation of a project to study the impact of science centre programmes and activities, and capture and disseminate best practice.

We want ISTWG to base its future programme of activities on the four key policy issues, coordinating its efforts with other APEC working groups where that would lead to a more effective and cohesive programme of work.

We also welcome the broader perspective which ISTWG now takes on the policy aspects of S&T and the contribution which science, technology and innovation make to sustainable growth, arising from work initiated at the Penang Policy Forum in 2001.

At the same time, we note that any consensus about future activities of ISTWG and other APEC working groups must take into account that individual economies are at varying stages of economic and technological development.

We need to look particularly to measures that can be adopted by governments, and areas where collaboration among economies can help address both individual and regional priorities.

Our main directions for ISTWG's future work programme are attached.

Current challenges in the sector

This is the first time that there has been an APEC Science Ministers' meeting since 1998. Since then, developments in science and technology have continued to move at a rapid pace. In seeking to ensure that science and innovation realises its potential, APEC economies face several key challenges, including:

- Globalisation facilitated by the rapid spread and use of information and communication technology gives rise to such issues as (i) how scientists, researchers and policy makers work with each other; and (ii) the availability and use of scientific and technological information, in particular balancing effective protection of intellectual property rights against ensuring the appropriate availability of public good information derived from research and development.
- Increasing complexity, cost and pace of science and innovation, which have spurred international cooperation, particularly in areas of science requiring large scale facilities and/or sharing of large databases and research tasks. This requires economies to ensure their science and innovation systems are open, competitive and attractive.
- The blurring between science and industry; effective interaction between public and private sector researchers requires the appropriate scientific and innovation skills; appropriate patenting, licensing and spin off arrangements to be in place; and for the private sector to play appropriate roles in the science and innovation system.
- Maintaining adequate funding to sustain the economy's science base, so individual economies can play a role in wider science and innovation systems.
- Ensuring an adequate supply of appropriately skilled science and innovation personnel to maintain the basic sciences, work in multidisciplinary teams, and effectively manage science and innovation processes.
- Ensuring that science and innovation optimise their contributions to sustainable growth through the public and private sectors playing appropriate roles.

APEC Ministers responsible for other sectors, such as human resources, small and medium enterprises and energy, should be aware of our decisions and where our respective working groups should coordinate their activities in order to make the most efficient use of APEC resources.

Sustainability

The concept of sustainable growth is very broad, and extends well beyond the responsibilities of science portfolios and of ISTWG. However, we are well aware that science and technology will play a pivotal role in APEC's ability to deliver sustainable growth. Science Ministers requested that ISTWG promote S&T cooperation for sustainable growth.

To ensure sustainability issues are taken into account in a wider context, we attach a number of recommendations to the 16th APEC Ministerial Meeting in November 2004.

Developing a programme of work

Ministers ask ISTWG to base its future work programme on a limited number of principles, which should include critical mass and prioritisation. Policy work differs in character from research projects, on which ISTWG has tended to concentrate in the past. The benefits from policy work depend upon a sufficient number of economies participating. ISTWG needs to ensure that the planned work programme does not exceed available resources.

Human capacity building

For S&T to fulfil its part in delivering sustainable growth to APEC economies, effective human capacity building policies must be developed and implemented, to make sure the right range of skills is in place.

We underscored the need to ensure the workforce within APEC economies is equipped to meet the scientific and technological needs of today and the challenges of the future, and that it draws on the widest pool of talent, now and in the future.

To this end we discussed some specific challenges, including: the importance of facilitating mobility of research skills; identifying future skill sets required for science & technology; obtaining necessary information to guide study and career choices; the public image and perception of science and technology; the strengthening of education in science, mathematics, and engineering for all segments of the population; recruiting and retaining sufficient people with research and scientific skills; facilitating the active participation of women and other under-represented groups in the S&T workforce; encouraging lifelong learning; and the need for researchers to achieve a shared vision with society over the ethical aspects and value of their work.

Ministers appreciated the opportunity to interact with a group of young students and scientists on the factors that encouraged people to study and work in S&T.

We also acknowledge the importance, for democratic governance, of a public that is informed on scientific and technical issues. Ministers endorsed cooperation across the APEC region in scientific and technological research and education.

Ministers agreed that human capacity building is a top priority for economies as they become increasingly reliant on knowledge-based industries, and as more traditional industries become knowledge-intensive. To facilitate consideration of specific initiatives, we ask ISTWG as an initial step to assemble sufficient data to allow a thorough analysis and evaluation of the current situation across the APEC region.

As Science Ministers we are pleased to note that the APEC Education Ministers, meeting in April 2004, will consider issues arising in science and technology education. We commend this communiqué to them and invite them to inform us of the outcomes of that meeting.

Connecting research and innovation

Economies need to have in place policies which facilitate the efficient operation of national science and innovation systems.

We discussed the role which government policies can play in fostering research and development, the importance of public/private partnerships in managing the convergence of science and innovation, and APEC mechanisms which could help build research-based partnerships that serve the innovation needs of economies.

The blurring of boundaries between basic and applied research, and the importance of efficient interaction between science and industry as a driving factor behind the performance of innovation systems increase the need for interdisciplinary approaches and collaboration among key players.

Ministers reaffirmed the high priority of investment in fundamental research as an engine for technological innovation and economic growth.

International S&T networks

Networking is increasingly important because of the increasing complexity, cost and speed of science and innovation. At the same time, advances in information and communications technology (though not yet available evenly throughout the APEC region) are making effective networking increasingly possible.

The rapidly increasing pace of technological change and the convergence of technologies and disciplines were reflected in our discussions on:

- the most appropriate role for governments in facilitating the establishment and operation of successful international S&T networks;
- factors that are needed to successfully establish and operate international S&T networks;
- ways in which economies can identify areas of science where the maximum mutual benefit would result from the establishment of international S&T networks.

Ministers noted the important role modern communications technologies can play in facilitating more effective international networking in S&T, and in this context affirmed the critical role of the APEC Science and Technology website (ASTWeb), and the need for ISTWG to ensure it operates effectively.

Strengthening Technological Cooperation and Encouraging Best Practice in Strategic Planning

Noting that many of today's major technological challenges create inter-dependence among innovation systems within the APEC region, and the need for clear directions towards delivering sustainable growth, we discussed ways in which policy decisions can best be informed by strategic intelligence and planning. Many of these require a critical mass of expertise, credible foresighting techniques, and access to sophisticated equipment and resources which cross traditional disciplines.

Establishing mechanisms for multilateral cooperation and leveraging the APEC project knowledge base should enable a more effective identification of the opportunities to address high priority S&T issues in the region.

Ministers acknowledged that the APEC Center for Technology Foresight provides a vehicle to assist with progress towards refining and developing strategic intelligence and planning tools.

APEC SCIENCE MINISTERS MEETING 2004: MINISTERIAL STATEMENT ON THE ISTWG WORK PROGRAMME

APEC Science Ministers, meeting in Christchurch, New Zealand on 10-12 March 2004, tasked the Industrial Science & Technology Working Group (ISTWG) to include in its work programme the following range of activities, coordinating its activities with other APEC working groups where appropriate.

Human capacity building

Science, technological and entrepreneurial capabilities are central to economic growth and social wellbeing. Some evidence suggests that most economies face difficulties in training and retaining people with the needed science and technology (S&T) skills. We ask that ISTWG and other APEC working groups including the Human Resource Development Working Group (HRDWG) work together and consider how to promote further research on the supply and demand of needed science and technology skills within APEC economies.

The focus of this study should be whether there is a world-wide shortage of S&T skills, or a mismatch between available skills and changing demands.

Depending on the results of this work, topics that could be considered for information exchange and further study by the two working groups are:

- The demand for S&T skills in relation to the capacity of economies to educate and train researchers, scientists and secondary & tertiary teaching staff.
- The main factors that encourage people to study and work in the S&T field (or discourage them from doing so).
- The key factors behind skilled S&T staff moving across borders, either within APEC or to other countries.

To ensure their S&T workforce reflects the demography of each economy and makes best use of the range of skills available, ISTWG, HRDWG and other relevant APEC fora should consider the need for programmes that promote the active participation of women, ethnic communities and other under-represented groups in science and research.

We recognise the value to individuals and to economies of broadening skills and work experience, though we are also concerned at the impact when skilled staff are lost elsewhere for the long term. A balance is needed.

We have agreed that ISTWG, in conjunction with the HRDWG and other working groups as necessary, should:

- Consider how APEC can facilitate the exchange of S&T staff.
- Identify successful policies to promote mobility of individual S&T staff, drawing on the work relating to the APEC Architect and APEC Engineer programmes where relevant.
- Consider the development of curricula that incorporate science, research and technology with business and innovation.

We exchanged experience in identifying curricula, educational materials, governance systems, teaching and facilities to meet the needs of future S&T students. We task ISTWG with continuing that sharing of experience, to help identify and disseminate best practice and positive case studies.

We agreed on the importance of cooperation to raise S&T awareness among all sections of the population. We welcomed the efforts of member economies working together to enhance the contribution which science centres and museums make to increasing communities' knowledge of the benefits of science and of science careers.

International S&T Networks

Globalisation has profound implications for S&T. As economies become increasingly knowledge-based and subject to international flows of goods, services, people, investment and ideas, governments have a critical role in encouraging collaboration among universities, research institutions and business.

We want to ensure that the contribution that collaborative activities can make to sustainable economic growth is recognised.

We endorse ISTWG's earlier work which identified the following characteristics of successful international S&T networks as:

- being researcher driven,
- having the potential to enhance skills and knowledge,
- having clear goals and appropriate levels of accountability,
- dealing with issues of mutual interest for the economies involved, and
- encouraging the involvement of all interested parties that have the capacity to make a positive contribution.

To facilitate the creation of networks of this sort within APEC, the future work programme of ISTWG should:

- Address those framework issues over which governments have control and where intervention could remove impediments to the establishment of successful international S&T networks. These could include, for example, intellectual property arrangements and the international mobility of researchers.
- Study existing networks within APEC, to identify best practice principles that underlie the establishment and operation of successful networks. This could include encouraging other bodies to compile information from past collaborations, to serve as a guide.
- Explore the establishment and strengthening of international S&T networks in areas of science that have broad implications across economies and society including monitoring and prediction of climate, clean energy, the biological sciences, the nanosciences, and the information and communication technology sciences. Such networks will need to be mindful of other activity already underway.

Ministers recognised the importance across a wide range of sectors of existing networks, noting the work of the APEC Climate Network (APCN) and the Asia-Pacific International Molecular Biology Network (A-IMBN) as examples, and the proposed initiatives of "APEC Climate Center (ACC)" and "electronic International Molecular Biology Laboratory (eIMBL)" for furthering advancements in these areas.

Connecting Research and Innovation

We endorse the idea of ISTWG taking a more targeted and concerted approach to innovation policy. We ask the working group to review the work of the OECD Committee for Science & Technology Policy, which may provide a relevant model for developing and funding innovation policy studies.

Agreed indicators to measure the successful performance of science/industry relationships are an essential component of arriving at best practice. We would like ISTWG to review ways in which public research institutions are evaluated and to consider the need for additional factors to be measured, such as commercialisation outputs.

Consistent with its strengthened policy focus, which Ministers warmly support, we encourage ISTWG to enhance its work on the research/innovation interface. We leave it to ISTWG to decide on the appropriate mechanism for this, as part of its planned review of the structure of the working group. The important thing is to identify and exchange information that will assist policy development and benchmarking in relation to innovation and commercialisation. This could, for instance, comprise a series of comparative policy studies, focussing on innovation and intermediary mechanisms within member economies.

We also task ISTWG with the development of programme options on ways to bridge the gap between the S&T capabilities of the various APEC economies. Ministers highlighted the importance of identifying the digital opportunities to leverage the S&T resources among the APEC economies to build the collective capacity in the region.

Ministers welcomed the outcomes of the APEC Workshop on Development of S&T Intermediary Mechanisms and asked ISTWG to consider its recommendations. Ministers also encourage further sharing of best practices and cooperation among APEC economies in the field of innovation to enhance APEC economic development and long-term prosperity.

Strengthening Technological Cooperation and Encouraging Best Practice in Strategic Planning

Strategic planning is important for all S&T stakeholders – public and private alike – and it must be driven by those who have a vested interest in securing quality outcomes.

Having discussed ways in which policy decisions can best be informed by strategic intelligence and planning, we agreed that ISTWG should:

- Initiate a comparison of current practices in national strategic planning, including foresighting techniques, with the intention of trying to define best practice that is most relevant for member economies.
- Review the current directions and topics for APEC-wide foresight studies, which were last set in 1997, and consider the need for a new survey of economies to identify possible revisions.

Ministers acknowledged the work of the APEC Center for Technology Foresight, and the value of effective coordination between the activities of the Center and other groups within APEC.

Sustainability

We have noted the potential of hydrogen and fuel cell technologies to improve the region's energy, environment and economic security, and that the Energy Working Group is developing a framework document on hydrogen and fuel cell technologies as directed by APEC Leaders. We ask ISTWG and the Center for Technology Foresight to continue to collaborate with the Energy Working Group in its research on the hydrogen economy.

Ministers noted the first Earth Observation Summit that was held in the United States in July 2003, and the work of the ad hoc Group on Earth Observations (GEO) which was charged to develop an international 10 year plan for a coordinated earth observation system. The Ministers were informed that as many APEC economies as possible should participate in the Earth Observation Summit II in Japan in April 2004 and contribute to the development of the Global Earth Observation System of Systems (GEOSS) implementation plan for comprehensive, integrated and sustained global Earth observations through a variety of mechanisms and measurements.

Ministers reaffirmed the importance of science and technology to the health sector. They encouraged cooperation among the Science Ministers, the ISTWG, APEC Senior Officials and the new APEC Health Task Force regarding needs, opportunities, and potential contributions of APEC's science and technology sector related to APEC health priorities.

Concluding Remarks

Recognising the importance and challenges of the four policy issues for sustainable growth in the region, Ministers noted the need to: (1) identify the opportunities in the four policy areas in a coherent fashion; (2) initiate targeted efforts under APEC mechanisms; and (3) ensure relevant APEC activity is leveraged to build the capability of economies throughout the region.

RECOMMENDATIONS ON SUSTAINABILITY, TO THE 16TH MEETING OF APEC MINISTERS' (AMM), NOVEMBER 2004

APEC Science Ministers' Meeting in Christchurch, New Zealand on 10-12 March 2004 agreed to recommend to the 16th meeting of APEC Ministers, to be held in November 2004:

- That the current review of the organisational structure of APEC should consider the most effective ways of including sustainable growth concepts and priorities within the responsibilities of the bodies that comprise APEC, while avoiding unnecessary duplication of activities which take place within other international organisations;
 - That working groups take particular account of the potential value of information exchange and cooperative pilot projects on sustainable growth, the need for managers and technical personnel in enterprises within APEC economies to be aware of the principles of sustainability, and the establishment of information exchange networks on sustainable growth issues between large companies and SMEs;
 - That consideration be given to endorsing within the overall APEC structure the following working definition of sustainable growth: "growth that meets the needs of the present without compromising the ability of future generations to meet their own needs" and to consider the development of a set of principles which would help guide APEC's work;
 - That business leaders within APEC be encouraged to adopt a positive approach towards sustainability concepts as a way of establishing goals that will release the creativity of engineers and scientists;
 - That economies explore effective ways of sharing best practice in training, information management and other elements of enabling sustainable growth.
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APEC SCIENCE MINISTERS MEETING 2004: REPORT TO MINISTERS BY DELEGATES TO THE 5TH APEC R&D LEADERS FORUM

This paper summarises the main points emerging from the workshops and plenary discussions held by members of the APEC R&D Leaders Forum (Forum). The overarching theme of the Forum was “Capturing value from science”.

The Forum’s conclusions have been grouped according to the four policy issues that are being discussed at the Ministerial meeting.

They are as follows:

- Connecting Research and Innovation
- Human Capacity Building
- International S&T Networks
- Technological Co-operation and Best Practice in Strategic Planning

Connecting Research and Innovation

- There are three dimensions to value
 - Economic
 - Environmental
 - Social
- Technology and science are different. Science uses wealth to create knowledge and technology uses knowledge to create wealth.
- Innovation must be set within a sustainable framework and “business as usual” without regional orchestration won’t achieve the change required.
- The Forum recommends Ministers consider achieving a level of harmony between regulatory and taxation regimes in different economies throughout the region to stimulate collaboration in regional research and commercialisation.
- Government plays a crucial role in providing an education system at all levels to ensure excellence of science and the necessary infrastructure to allow good research to flourish. There is a strong regional element to such a system.
- The Forum acknowledges the huge divide between developed and undeveloped economies within the region and the challenges it presents to commercialising science. The Forum was unable to offer any immediate solutions to this problem, but does commend it to Ministers as an area which warrants further consideration. Linking technology transfer to overseas aid to less developed economies was suggested by some delegates.
- Government and researchers play an important role in gaining public understanding of emerging technologies. The Forum was keen to avoid the difficulties that have been associated with the commercialisation of genetically modified crops.

Human Capacity Building

- The Forum agreed this area as the most important challenge facing the APEC region.
- There is a great opportunity within APEC to facilitate this by moving people around the region in a targeted way, e.g. sharing best practice in commercialisation from universities such as staff training, use of patent pools, Intellectual Property.
- Scientists need new skills; traditionally they are trained in discovery but they need to be flexible, to work well in teams, to have HR, finance and leadership skills, and be business savvy.
- The Forum encourages APEC to explore opportunities for creativity and invention at the interface of indigenous and scientific knowledge systems.

International S&T Networks

- The need to achieve more effective links with business groupings through APEC is crucial. This area needs to be fully explored and options developed as a matter of urgency.
- The possibility of establishing an APEC research council to coordinate research effort in areas of regional interest such as sustainable development was advocated. This should have as one of its objectives the need to establish links with comparable northern hemisphere bodies, in particular the European Union.

- Building on local and national initiatives to develop directories and programmes embracing business, venture capitalists and research communities, the Forum supports the establishment of an APEC based regional directory.

Technological Co-operation and Best Practice in Strategic Planning

- The Forum acknowledges the value of coordinated strategic planning but encourages ministers not to lose sight of the fact that much innovation has a strong element of chance to it and all economies need to be able to respond effectively to this.
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**JOINT STATEMENT FROM THE
3rd APEC EDUCATION MINISTERIAL MEETING**

"Skills for the Coming Challenges"

APRIL 29-30, 2004

Santiago, CHILE

I. Introduction

1. We, the Education Ministers representing APEC's 21 Member Economies, convened our Third Meeting in Santiago, Chile, on April 29-30, 2004, under the Chairmanship of H.E. Sergio Bitar, Minister of Education, Chile.
2. We met under the policy theme of "Skills for the Coming Challenges", to foster linkages and to strengthen collaborative initiatives in the field of education. We agreed to promote equitable and sound opportunities for our communities to make the most of their potential to achieve our goals of greater economic integration, openness, and prosperity for our peoples.

II. Recent Developments in the APEC Region

3. Since we last met in Singapore, on April 7, 2000, APEC's Economic Leaders have met on four occasions and the overall APEC vision remains the same: *Achieving stability, security, and prosperity for our people*. Through the Human Resources Development Working Group (HRDWG), the Education Network (EDNET) has been able to implement initiatives endorsed by the Senior Officials Meeting (SOM) in February 2003 and in Part II of the Osaka Action Plan (OAA), including: Quality basic education, Lifelong learning, Improved curricula, Teaching methods and instructional materials for the 21st century, Enhanced quality of the labor force and mobility of qualified persons.
4. We recognized the challenge in balancing the economic goals of education and training, through the preparation of a skilled labor force to stimulate sustainable economic growth, and the non-economic goals including personal development and fostering civic education and cultural identity, within the APEC Region.
5. We renewed our commitment to support EDNET within HRDWG and recognized that it is a driving force that can add positive value in collaborative initiatives in the field of education-related issues in the APEC Region. Work that is being accomplished through EDNET can bring forward better education and training opportunities to develop the needed skills that will allow our communities to face the challenges of the 21st century.
6. We acknowledged the accomplishments of EDNET towards the goals we outlined in 2000 and note in reviewing those strategic areas that were prioritized at our Second APEC Education Ministers' Meeting in Singapore, we have been able to successfully complete joint initiatives in the field of Information Technology; Teacher Preparation; Education Management and the enhancement of cooperation as well as the exchange of experts and expertise. A list of completed and current EDNET projects is attached as Annex A.
7. We observed how EDNET has matured as an organization since 2000. Participation has continued to grow; the organization has gained greater focus; strategic alliances with the private sector, other international organizations in the region and across APEC fora have been made; and EDNET has made progress towards the Leaders' priority of building knowledge-based society.
8. We acknowledged that EDNET organized a successful summit of researchers and policy-makers in Beijing in January 2004 in preparation for this 3rd AEMM to ensure recommendations reflect the most up-to-date research and policy trends. In this regard, we noted the generic signals that emerged from studying the four theme reports prepared for this

meeting. These signals should guide our officials as they continue to work through EDNET: ensuring gender analysis and perspectives, encouraging a mix of actors, overcoming resource constraints, emphasizing professional training, encouraging community and parental support, and improving transparency and sharing assessments.

III. Facing Educational Challenges with Collaborative Strategies

9. Building upon the successful work to date, we defined the following four priority areas for future network activities: Teaching English and Other Foreign Languages; Stimulating Learning in Mathematics and Science; Using Technology for Teaching and Learning; and Governance and Systemic Reform in Education.
10. The wealth of knowledge and experience that exists in the APEC Region in the four areas was demonstrated through the discussions and deliberations in Santiago. This was specially demonstrated through the existence of the Knowledge Bank of Education Policy and Practices, (www.apecneted.org/knowledgebank), an APEC site that is currently available publicly through the Asia Pacific Network for Education Web Portal (www.apecneted.org) - a joint initiative of APEC Cyber Education Cooperation (ACEC), the APEC Education Foundation (AEF), and the APEC Education Network (APEC EDNET). To share the benefits of the Knowledge Bank, the use of languages other than English is also encouraged.
11. A number of challenges emerged under the four key themes discussed at the meeting:
 - Improving the learning of English and other foreign languages at the school level is essential to ensure long-term impact. This will be achieved by setting and measuring clear standards and implementing context-relevant strategies for professional development of teachers. However, the importance of learning of English and other foreign languages is not limited to traditional students; it extends to workers, small business entrepreneurs, women, and disadvantaged groups, to enable them to interact successfully in a globalized world.
 - Curriculum reform, notably in Languages, the Sciences and Mathematics, must be considered in the context of the community as a whole to overcome the weaknesses in a given system, while preserving the existing strengths.
 - While basic instruction in ICT is important to learn, ICT's strength appears to be in supporting other subjects. More research is needed to elucidate the factors affecting learning in this context.
 - Establishing strong pedagogical foundations for the use of ICT in education will facilitate the integration of ICT into the school curriculum. Sustainable communities of practice among teachers, students, researchers and other stakeholders will allow us to leverage on each other's experience, knowledge and research findings on innovative uses of ICT in learning and teaching.
 - Economies need effective governance including transparent, accountable, regulatory, accreditation, and quality assurance systems, and also policy and program delivery in order to provide the best educational outcomes. Better connections between researchers and policy makers will support the successful application of governance models, school and curriculum reforms within economies' education systems. More comprehensive, longitudinal studies are needed in order to obtain helpful data for decision-making.

IV. Putting Words into Action

12. We have therefore instructed our senior officials to evaluate and prioritize the recommendations highlighted in each of the four priority areas in Annex B.

For a successful collaboration, EDNET will use the following guidelines:

- Undertaking joint research projects addressing fundamental cognitive, empirical and policy matters in the four main priority areas.

- Identifying and sharing of promising practices on the four priority areas through on-site and online networking communities to connect researchers, students, teachers, children, adult learners and common interest groups.
 - Promoting student and professional mobility as well as joint professional development resources and exchange opportunities, to allow for extended use of limited resources on the four priority areas.
13. We requested that EDNET give careful attention to identifying specific mechanisms required to effectively implement our prioritized recommendations. This includes investigating the rich internal resources available in each of our economies, including our research organizations and universities and building on the activities already taking place in our Ministries to achieve these shared goals.
 14. A point stressed by many economies was the need to capitalize on and add value to work related to education being done by other international groups, such as OECD, OAS, SEAMEO and UNESCO. A special concern was the economic pressure being felt in each economy and, therefore, the need to focus limited resources on high quality projects and partnerships.
 15. We requested that EDNET work with other relevant APEC Fora, including APEC Business Advisory Council (ABAC), to develop a Strategic Plan for English and Other Languages in the APEC Region that would take into account each economy's context. We encourage our counterparts responsible for Trade, SMEs and Tourism, to instruct their senior officials so as to collectively develop the Plan for the APEC Region, taking on board the strengths that these sectors can offer for the positive, long-term development of this initiative, with an aim of presenting a progress report to APEC Economic Leaders when they meet in Santiago on November 20-21, 2004.
 16. We requested that EDNET, through the HRD Working Group, report on conclusions reached at the 3rd Education Ministerial Meeting at the next meeting of the APEC Economic Leaders in Santiago, Chile on November 20-21, 2004, and provide the Ministers with an Annual Report of Progress towards the goals we have established.

Declaration

SIXTH MEETING OF APEC ENERGY MINISTERS

ENERGY SECURITY IN APEC: COOPERATION FOR A SUSTAINABLE FUTURE

Manila, the Philippines, 10 June 2004

Message from APEC Energy Ministers

We, Energy Ministers of the APEC economies, gathered for the 6th time in Manila, the Philippines, on 10 June 2004 under the theme “Energy Security in APEC: Cooperation for a Sustainable Future”.

We agreed that access to adequate, reliable and affordable energy is fundamental to achieving the region’s economic, social and environmental objectives, that energy security challenges faced by the APEC region are constantly evolving, and that our efforts to enhance energy security must be flexible and responsive.

The importance of these efforts is further highlighted by the recent rise in global oil prices and its potential impact on economic growth and sustainable development within the APEC region. Having concern for the impact of recent high oil prices on our economies, we welcome efforts by oil producers to provide adequate supply to help stabilise the oil market. We recognise, however, that a variety of factors influence global markets, and in that context we commit our own efforts to enhance energy security.

We agreed that common ground exists for strong cooperation on energy security, with regional and global benefits. We agreed that our cooperation must acknowledge the individual circumstances of each member economy, and that our diversity of views is the foundation for meaningful dialogue.

We instruct the Energy Working Group (EWG) to continue its broad-based approach to energy security. We commit to continued development of response mechanisms for short-term disruptions while pursuing longer-term energy security objectives. We agreed that initiatives should be developed and implemented in close cooperation with the business, research and financial communities.

These initiatives include:

- *preparing for energy supply disruptions;*
- *facilitating energy investment;*
- *using energy more efficiently;*
- *expanding energy choices; and*
- *capitalising on technological innovation.*

Responding to Our Energy Security Challenges

We respond to the direction by APEC Economic Leaders in their 2003 Bangkok Declaration, to “accelerate the implementation of the Energy Security Initiative by endorsing its Implementation Plan and, as appropriate, a new Action Plan to enhance regional and global energy security.” We also commit to the continued implementation of our Type II Partnership Initiative, “Energy for Sustainable Development”, submitted to the World Summit on Sustainable Development in 2002.

Prepare for Energy Supply Disruptions. Oil remains the region’s dominant fuel and oil demand, particularly for transport, is growing rapidly. APEC has oil exporters and importers, but as a whole the region is a growing net oil importer. Historical experience indicates that oil supplies can be seriously interrupted by factors such as geopolitical instability, natural disasters, piracy on key sea lanes, terrorism, and the intrinsic infrastructure and production features of oil supply systems. Today, power plants, pipelines, port facilities, transmission hubs, hydroelectric structures and other parts of our

energy infrastructure face some inherent vulnerabilities. Our challenge is to protect our economies from the adverse effects of oil supply disruptions and infrastructure damage.

To meet this challenge:

- We commit to having emergency mechanisms and contingency plans in place, appropriate to our individual member economies' energy situations, that will provide us with the capacity to respond to energy emergencies, including oil supply disruptions, and damage to our infrastructure systems.
- We commit to establishing and maintaining, as appropriate to the needs of individual member economies, readiness to respond to oil market disruptions and oil market volatility by sharing data, information and experiences, and to cooperate and communicate as appropriate during emergencies.
- We direct the EWG to continue to build the capacity of member economies to collect data and report to the Joint Oil Data Initiative, to monitor efforts to strengthen sea-lane security and respond as appropriate, and to implement the Real-Time Emergency Information Sharing System. We encourage interested member economies to move towards best practice as identified in 'Best Practice Principles for the Establishment and Management of Strategic Oil Stocks'; encourage consideration of the feasibility of joint stocks among interested parties; and encourage continued cooperation under the Earthquake Response Cooperation Initiative.

Facilitate Energy Investment. To meet the APEC region's energy needs significant investment is required, and finance from the private sector and financial institutions is essential. Our challenge is for economies to find ways to engage the private sector and financial institutions and to reduce investment risk through policy and regulatory mechanisms that help create an environment to facilitate investment in the full range of energy projects, including energy efficiency, renewable energy and energy infrastructure.

To meet this challenge:

- We direct the EWG to implement the recommendations of the 'Energy Investment Report: Facilitating Energy Investment in the APEC Region', recognising the important contribution of the private sector and financial community in developing the recommendations.
- We reaffirm our commitment to encourage the implementation of best practices previously endorsed for investment in the natural gas and electricity sectors.

Use Energy More Efficiently. The potential to reduce energy use through more efficient production, distribution and consumption of energy is great, with energy efficiency enhancing regional energy security and sustainable development through lower energy demand, reduced energy costs and lesser environmental impacts. Cooperation between member economies has proved effective in facilitating improved energy efficiency through the sharing of information and experiences on policies and programs in individual economies. Our challenge is to continue and build on these efforts.

To meet this challenge:

- We commit to implement, as much as possible, an invigorated energy efficiency Pledge and Review Program that includes exploring ways to monitor the implementation of policies and programs.
- We encourage all member economies to participate in the Energy Standards and Labelling Cooperation Initiative and the web-based APEC Standards Notification Procedure aimed to facilitate trade in efficient energy using equipment used within the region.
- We also encourage broadening the scope of work on energy efficiency to include other energy intensive sectors, and to monitor the development of new technologies that could have significant impacts on, and synergy with, energy efficiency and conservation.

Expand Our Energy Choices. Energy diversification broadens our choice of energy sources and technologies and in doing so, strengthens energy security and sustainable development within the APEC region. The region's move towards a more diverse energy mix includes a growing demand for natural gas, through cross-border pipelines and Liquefied Natural Gas (LNG), recognition that, for some member economies, nuclear power plays a significant role in their energy mix, and increased

development and deployment of renewable energy technologies. In the longer term, research on methane hydrates may yield an important complement to other sources of natural gas. Our challenge is to continue to diversify in ways that support the region's economic, social and environmental objectives.

To meet this challenge:

- We support the creation of a competitive and transparent marketplace for gas trade and encourage member economies to move towards best practice as identified in 'Facilitating the Development of LNG Trade in the APEC Region', recognising the important contribution of the private sector in developing these principles, and direct the EWG to implement its recommendations. We also direct the EWG to continue work to improve the security of natural gas supply by identifying vulnerabilities, supporting trade promotion and establishing convenient information links to gas market data available in existing data systems.
- Recognising that some Member Economies consider nuclear power as an option for their energy mix, while others do not, interested Member Economies are encouraged to cooperate on the nuclear framework as endorsed by the EWG. We emphasise that security, seismic and health concerns, including trans-border effects, should be adequately addressed'
- We support research on the potential of methane hydrates as a future energy source and direct the EWG to communicate research developments within their economies.

Capitalise on Technological Innovation. Innovative technologies enable us to discover, produce, transport and use energy in new and more efficient ways, increasing our access to more adequate, reliable and affordable energy. They also strengthen energy security and sustainable development through energy diversification, lower energy costs and the provision of cost-effective solutions to reduce environmental impacts. Innovations include technologies for cleaner and more efficient fossil energy production, carbon dioxide capture and geological sequestration, the production, storage and distribution of hydrogen for use in fuel cell vehicles and electricity generation, and the development of renewable energy technologies and alternative transportation fuels. Our challenge is to capitalise on these and other technological innovations.

To meet this challenge:

- We direct the EWG to continue its work in the areas of clean fossil energy, carbon dioxide capture and geological sequestration and, under the 21st Century Renewable Energy Development Initiative, renewable energy, working closely with the EWG Business Network and the APEC business and research communities.
- We direct the EWG to implement the recommendations identified in the 'Interim Framework Document on Hydrogen and Fuel Cells' that highlights the potential for a hydrogen economy in the APEC region. In doing so we note that APEC Science Ministers, at their meeting in New Zealand in March 2004, directed the Industrial Science and Technology Working Group and the APEC Center for Technology Foresight to collaborate with the EWG in its research on the hydrogen economy, and ask that the EWG support these efforts.
- We call for accelerated cooperation on the development of alternative transportation fuels.

To meet all of these challenges, we call upon the EWG to work closely with the APEC business and financial communities, including through the EWG Business Network, and to draw upon the expertise and resources of the EWG Expert Groups and APERC, of which we endorse the APERC strategic plan that outlines the cooperation sought from member economies for further improving its research activity.

We encourage the EWG to continue cooperation with other organisations, where it is in our interest to do so, and commit to making our activities and achievements known, as appropriate, to other relevant fora.

JOINT STATEMENT

FIRST MEETING OF APEC MINISTERS RESPONSIBLE FOR MINING

Antofagasta, Chile

16 - 17 June 2004

FINAL VERSION

Introduction

1. We, the Ministers Responsible for Mining representing APEC's member economies, convened our First Meeting in Antofagasta, Chile, on June 16 - 17, 2004, under the Chairmanship of H.E. Alfonso Dulanto, Minister of Mining, Chile.
2. We noted that the Asia Pacific region is the main driver of global economic growth and a significant producer and user of minerals and metals; that many economies derive important economic and social benefits from their development, trade and use; and that the mining and metals industry can effectively be an engine for development.
3. We confirmed that the development of the mining and metals industry has great importance in promoting employment and economic growth.
4. We discussed and analyzed two main issues for minerals and metals:
 - A. Sustainable development.
 - B. Trade and investment liberalization and facilitation.
5. We acknowledged that this meeting was a great opportunity to give minerals and metals in APEC a new impetus and to discuss the challenges that face a key productive activity for the development of APEC economies and the world, at the highest level.
6. We acknowledged that development in an interdependent world supposes complex challenges to the mining and metals industry. The most important is related to how society can meet its demands for the mining and metals industry while complying with social, environmental and economic standards that are sustainable in the long term.
7. We acknowledged that challenges are arising for producer and consumer economies from the increasing demand for minerals and metals globally, and the development of new technologies and applications which require new material.
8. We observed that resource endowment and minerals and metals usage varies considerably between APEC member economies which makes relationship among economies more necessary.
9. We recognized the work conducted by the Expert Group on Minerals and Energy Exploration and Development (GEMEED) in minerals, metals and energy related issues since 1996 through the Energy Working Group (EWG).
10. We confirmed our commitment to the economic, environmental, and social dimensions of sustainable development and recognized the importance of the mining and metals industry as a fundamental platform for reaching greater development in many APEC economies as well as the contribution of minerals and metals as essential elements of modern economies.

11. We confirmed our commitment to trade and investment liberalization and facilitation of minerals and metals by recognizing, as a global industry, the need for free flow of trade and investment.

Sustainable Development

12. We agreed that the sustainable development of the mining and metals industry in the APEC Region enhances wealth creation, environmental outcomes and socially responsible development and result in enhanced value for society. To give substance to this, we recognized:
 - A. The need to support and promote initiatives that contribute to meet sustainable development in the mining and metals industry.
 - B. The importance and the need for promoting a cleaner and more efficient production, building on the significant efforts being made by the industry globally to address the environmental, economic and social impacts and benefits of minerals and metals.
 - C. That best practices can be fostered through collaboration between member economies in such areas as technical and capacity-building support to address small scale mining and legacy issues including rehabilitation of mining sites.
 - D. The need of promoting a culture of harmony between the mining industry and local populations influenced by mining operations. This concept should be based on a continued dialogue, the respect for local institutions and authorities and a shared understanding of sustainable development aimed to encourage opportunities for human development beyond the mining activities in the long run.

Trade and Investment Liberalization and Facilitation

13. We acknowledged that trade and investment liberalization and facilitation of minerals and metals improve the economic and social conditions of APEC economies. These actions need to move forward based on the Bogor Declaration and in the premise of discussions at APEC Meeting of Ministers Responsible for Trade.
14. In order to meet trade and investment liberalization and facilitation of minerals and metals, we:
 - A. Considered it necessary to identify the tariff and non tariff related issues for minerals and metals in the APEC context.
 - B. Recognized the importance of detecting future prospects for trade and investment facilitation in the mining and metals industry.
 - C. Assumed the need to identify, analyze and foresee regulatory trends for minerals and metals.
 - D. Recognized the desire of APEC economies to expand trade in minerals, metals and mining-related goods, services and technologies.
 - E. Recognized the importance of working towards facilitating investment in the mining and metals industry and therefore the balance between supply and demand in order to support development of APEC economies.
 - F. Recognized the importance of the mining and metals industry to APEC economies development goals and the need to understand the supply and demand outlook for minerals and metals, and the ability of this industry to meet this demand.
15. We welcomed the launch of the APEC Non-Ferrous Metals Dialogue, as proposed by Russia, particularly the outcome of the first Steering Group Meeting of the Dialogue held in Pucón, Chile, on 25 May, 2004 and encouraged APEC members to work towards identifying measures to contribute to implementing decisions and recommendations made at this ministerial meeting, including through capacity building, exchange of information and best practice. We expressed the

hope that the Dialogue will contribute to effective cooperation between Government and Business sectors in minerals and metals and related areas.

Action Items

16. We agreed to work in a collective manner to raise the profile of the mining and metals industry in APEC, as well as to encourage sustainable development and trade and investment liberalization and facilitation in the sector.
17. We agreed to develop a working plan in order to make future collaboration among APEC economies more precise and effective in order to guide decisions on the minerals and metals sector at the future Meetings of Ministers Responsible for Mining.
18. We tasked GEMEED to develop and coordinate this working plan which will be reported to Ministers Responsible for Mining and should include the following issues:
 - A. Increase, improve and coordinate the flow and exchange of information and experiences in the mining and metals industry, including the restructuring of the GEMEED's Minerals and Energy Information Network, in order to:
 - Demonstrate the contribution of minerals and metals to sustainable development.
 - Recognize the efforts to improve society's appreciations of the mining and metals industry.
 - B. Promote cooperation of scientific and technological research and development in minerals and metals, within the framework of APEC-ECOTECH principles, in order to:
 - Move forward towards a stronger interrelationship among APEC member economy governments, researchers and firms.
 - Improve international scientific and technological networks.
 - Improve the workforce capability, including the needs of indigenous people, promoting the exchange of professionals and researchers among APEC economies.
 - Assess and evaluate the current situation of the workforce resources in the mining and metals industry in APEC economies.
 - C. Examine mechanisms to work more closely with the industry, including through the APEC Business Advisory Council (ABAC), in order to:
 - Generate synergies among the minerals, metals and related sectors taking into account that productive linkages (clusters) are an important contribution of mining to sustainable development.
 - Develop small and medium enterprises, which will reaffirm the above mentioned and multiply effects due to a higher generation of jobs and to the greater development of economies.
 - Generate a business network which allows cooperation among its members, as well as the analysis of new opportunities for minerals, metals and its related sectors within the APEC region.
 - D. Promote minerals and metals issues in other APEC Fora.
 - E. Undertake an assessment of the state of trade and investment liberalization and facilitation of minerals and metals in APEC economies.

19. We agreed to express our concern to the European Union (EU) over possible EU trade restrictions imposed on minerals and metals by the proposed New Chemicals Policy (REACH). The proposed policy is not commensurate with the scale of the problem, particularly with respect to the potential impact on the mining and metals industry, and would impose unnecessary costs.
20. We decided to communicate to the World Bank our concern about the outcome of the Extractive Industries Review (EIR) report, and our interest in working with the Bank to respond to the report.
21. We requested the Chairman to report on conclusions reached at the First APEC Ministers Responsible for Mining Meeting, at the next meeting of APEC Economic Leaders in Santiago, Chile, on November 20 - 21, 2004, in order to ensure that the contribution that the mining and metals industry makes to economic development and prosperity in the APEC region is recognized by Leaders.
22. Finally, we welcomed the opportunity for joint discussion on important issues in the minerals and metals sector. Ministers have committed to meet again when the working plan has been developed.

**4th APEC TRANSPORTATION MINISTERIAL MEETING
27-29 July 2004
Bali, Indonesia**

JOINT MINISTERIAL STATEMENT

We, the Ministers Responsible for Transportation in the APEC Region, met in Bali, Indonesia, on July 27-29, 2004, to continue progress towards achieving the goals of free and open trade and investment in Asia-Pacific by 2010 for developed economies and 2020 for developing economies set out by our APEC Economic Leaders' Declaration at Bogor. In this regard, we strive for the highest possible standards of efficiency, safety, security and environmental sustainability for our transportation systems.

Since September 11, 2001, we have witnessed a number of terrorist attacks around the world, including in the APEC Region. We condemn, in the strongest terms possible, such attacks and the targeting of transportation systems to inflict terror on civilians. We are united in our determination to enhance regional cooperation on transportation security.

In Bali, we considered ways and means of reducing impediments to trade and investment, while enhancing security and safety, including progressively liberalizing transportation services, engaging in economic and technical cooperation, and building human and institutional capacity. We recognized that through the Secure Trade in the APEC Region (STAR) initiative, APEC economies are building a transport and trade system in our Region that strengthens security while facilitating the movement of people and goods.

Recognizing the rapid increase of road traffic fatalities and injuries worldwide, especially in the APEC Region, which accounts for over 40 percent of the 1.2 million global fatalities, we commit to working together in combating this rising transportation, public health and economic problem.

We benefited from an open dialogue with the leaders of the Region's transportation industry, and we call upon industry and our officials to continue to work together to promote economic prosperity and a secure, safe, efficient and integrated transportation system for all member economies.

The Transportation Working Group (TPT-WG) is the instrument by which both APEC Leaders' and Ministers' goals and directions in the transport field are implemented collectively. We noted the report of the activities of the TPT-WG, and expressed our satisfaction with the work that it has accomplished since our meeting in 2002, and endorsed its Operational Plan.

OUR PRIORITIES FOR THE FUTURE

Reaffirming that a principal aim of cooperation in APEC for transportation is trade liberalization and facilitation as well as economic and technical assistance;

According high priority to ensuring a safe, secure, efficient, integrated and environmentally sustainable transportation system for the Region;

Recognizing that the capacity constraints of our transportation systems need to be reduced so that our people, goods and services can move safely and freely;

Recognizing that transnational organized crimes increasingly pose serious threats to the security and safety of aviation, land, and maritime transportation and preservation of environment;

Recognizing that a focus on intermodalism would permit the possibility of exploring innovative solutions to transportation challenges in the region; and

Mindful of the priorities established by Chile, as APEC Host Economy for 2004, with respect to encouraging progress towards a community based on sustainable development;

We state our priorities for all modes of transportation as being:

- Implementing the Bogor Goals on free and open trade and investment;
- Harnessing new technologies and best practices to facilitate travel and trade;
- Improving transport safety in the region;
- Implementing the goals of the Leaders' Statement on Counter Terrorism, including efforts to curb terrorist threats against all modes of transportation;
- Implementing the Secure Trade in the APEC Region (STAR) and other security related initiatives consistent with international law;
- Improving human capacity and institutional development, with a particular focus on developing concrete results-oriented actions of economic and technical assistance and capacity building to ensure the balanced advancement between economic and technical cooperation and trade and investment liberalization and facilitation;
- Cooperating with international organizations with common goals in accordance with APEC rules, such as the International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO) and the International Labor Organization (ILO) without duplication of the work undertaken by those organizations; and
- Supporting the World Trade Organization (WTO) through trade facilitation measures.

IMPLEMENTATION PLAN

In implementing these priorities, we recognize the continuing work and action being undertaken within the Working Group on all modes of transport and infrastructure as well as their integration. Without limiting the initiative of the Working Group, we direct it to give particular focus to the following concrete actions:

- Develop a roadmap consistent with APEC principles, to be reported to Ministers six months before our next meeting, describing the remaining work required for reaching the Bogor Goals of trade liberalization and facilitation as well as economic and technical assistance in all modes of transportation;
- Implement a road safety technical assistance initiative to establish a model traffic safety data collection and evaluation system to better target road safety policies and strategies and combat road safety hazards;
- Support the continuing implementation of maritime and aviation security measures, with emphasis on
 - the implementation of the International Ship and Port Facility Security Code (ISPS Code);
 - working to support international efforts, including those by multilateral agencies, to control access to MANPADS and other potential threats to civil aviation;
- Implement an intermodal supply chain security initiative over the next two years;
- Establish a web-based learning and technical information exchange system; and establish a professional exchange program to assist training and education and the mobility of transport professionals;

- Implement a Global Navigation Satellite System test bed in all areas of the APEC region;
- Implement arrangements for the structured exchange of information among member economies on safety and security best practices and measures;
- Develop a proposal to support the secure transport of dangerous goods, that would include an inventory of economies' regimes pertaining to transportation of dangerous goods and other appropriate actions;
- Develop concrete and specific action plans to carry forward economic and technical cooperation between APEC developed economies and developing economies to assist in establishing an efficient, safe, secure and environmentally sustainable transportation system;
- Enhance cooperation with the World Bank and the Asian Development Bank, through appropriate APEC channels, to improve member economies' transport infrastructure and the capabilities of their transport professionals, including in the area of international security commitments. We note the existence of the APEC-Asian Development Bank (ADB) Regional Trade and Financial Security Initiative in this regard; and
- Implement our Leaders' directives with regard to sustainable development.

We direct the TPT-WG, within the next 12 months, to take stock of the organization, activities and business practices of the Working Group to identify approaches and actions that will further support its ability to provide concrete and productive advice to Ministers in support of the Leaders' Declarations.

In addition, we instruct the TPT-WG to continue its work in implementing the attached Operational Plan with all deliberate speed, and to work with other relevant APEC fora as appropriate in order to implement APEC Leaders' and Ministers' Declarations.

CLOSING REMARKS

We agreed to meet again in 2006. We instruct the TPT-WG to provide a comprehensive report on its progress towards implementation of our priorities six months before our next Meeting.

We expressed appreciation to the Minister of Indonesia for hosting this 4th APEC Transportation Ministerial Meeting and for the warm hospitality provided. We also thank the Chair for the efficient management of the meeting and the APEC Secretariat for its supportive work.

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**11th APEC Finance Ministers' Meeting
Joint Ministerial Statement**

2-3 September 2004, Santiago, Chile

I. Introduction

We, the Finance Ministers of the APEC economies, convened our eleventh annual meeting in Santiago, Chile, on 2-3 September 2004. Mr. Nicolás Eyzaguirre, Chile's Minister of Finance, served as Chairman. The meeting was also attended by the Managing Director of the International Monetary Fund, the President of the Inter-American Development Bank, the Vice Presidents of the World Bank and the Asian Development Bank, and the Deputy Executive Director of the APEC Secretariat, as well as by representatives from the private sector.

We met under the policy themes of "Fiscal policies for growth and stability in an open APEC region" and "Institution building in a world of free and volatile capital flows". In discussing the themes, we emphasized that to reap the benefits of enhanced openness and integration, member economies must have in place policies and institutions that lead to sustainable, broad-based and equitable growth in the region.

II. Global and Regional Economic Developments

We note with satisfaction the strengthening of this year's global economic growth and the continued favorable outlook for 2005, notwithstanding the risks associated with high oil prices. We stress the important fact that investment and trade are the leading factors behind the global economic recovery. In our view, both factors are crucial for stronger and broader based growth and for spreading the benefits of globalization. We also note that restored confidence in financial markets, revealed in lower spreads, has contributed to the recovery. Despite higher growth and increases in a number of commodity prices including oil, inflation is expected to remain moderate in most economies.

We also observe that the APEC region is growing faster than the world economy. Though the developed APEC economies are driving this recovery, it is the emerging economies within the region that are showing the highest growth rates, reflecting the sound macroeconomic policies instituted, buoyant exports and the recovery of domestic demand.

In pointing out that trade is one of the key factors pushing growth in the region and the world, and in consonance with the Bogor Goals, we reiterate our support for the WTO Doha Round. We welcome the Decision Adopted by the General Council on 1 August 2004 and call for reaching prompt and concrete results in the negotiations.

Ministers note that terrorism remains a threat to growth and stability and support actions to combat terrorism including increased compliance with accepted international standards to counter money laundering and terrorist financing, as well as other measures including fostering closer cooperation among financial intelligence units and customs. In this context, we urge FATF to make progress, as appropriate, in the enlargement of its membership.

III. 11th APEC FM Process Policy Themes

Looking forward to the Bogor Goals, the discussions under the two policy themes underscored the importance of sound policies and robust institutions to successfully meet the challenges of globalization.

Fiscal Policies for growth and stability in an open APEC region

We acknowledge the importance of disciplined and sustainable fiscal policies for their contribution to long-term growth and macroeconomic stability. Sustainable fiscal policies keep public indebtedness within limits that help to ensure continued access to international capital markets and reduce external vulnerability. At the same time, such policies allow social and investment expenditures to be maintained during economic downturns. Fiscal discipline will also help governments to better face the future fiscal challenges associated with population ageing.

Transparency is a key element for fiscal credibility and accountability, and hence for good governance. We underscore the need for strong institutions to ensure fiscal discipline while granting sufficient flexibility to manage economic shocks. We recognize that there is no single way of inducing fiscal discipline and that properly designed fiscal rules can be useful tools to guide fiscal policy.

We are pleased with the significant progress being made in a number of APEC economies in strengthening fiscal institutions. Such progress has improved our economic resilience and helped our region to both weather successfully the economic slowdown of the past years, and be in the forefront of world economic recovery. We agree to continue building on the progress made in order to address current and future challenges to fiscal sustainability.

Institution building in a world of free and volatile capital flows

We stress that financial integration can contribute to growth and economic development through benefits that include reductions in the cost of capital, greater technology transfers, increased investment opportunities, improved competitiveness in domestic financial markets and lower consumption volatility. However we also recognize that freer capital flows can heighten vulnerabilities, especially in emerging market economies, increasing the importance of sound economic policies, strong institutions, and appropriately sequenced liberalization. We note also that additional efforts at the international level can be helpful in this regard.

At the domestic level, economies are encouraged to promote deep and broad financial systems for developing alternative sources of financing and diversification of risks, well-supervised financial institutions, improvements in transparency for authorities and market participants and good governance in general, in combination with a sound macroeconomic policy framework.

At the international level, additional efforts should be made by the IFIs to provide, as appropriate, liquidity to emerging economies with sound economic policies and fundamentals at times of distress originating from external shocks, along with their efforts to help economies achieve sound policies and institutions for growth. We welcome the growing number of economies that include collective action clauses in their international sovereign bonds and the convergence toward collective action clauses as a market standard.

We also note the increasing importance of remittances as a steady source of financial flows that can benefit emerging markets and urge continued work on analyzing and reducing the institutional and regulatory impediments to remittance flows.

Ministers welcome steps being taken at the regional and national levels to develop capital markets and strengthen banking systems, which would over time facilitate freer and more stable capital flows and the choice to move to an exchange rate regime with greater flexibility, in some economies, if they deem appropriate.

We highlight the importance of enhancing the resilience of markets and institutions to growing capital flows. We reaffirm our support for the Bogor Goals as useful tools to promote sustainable and broad-based growth in the APEC region.

IV. Other Matters

We welcome the dialogues with the APEC Business Advisory Council (ABAC), and the Pacific Economic Cooperation Council (PECC) Finance Forum. They have provided valuable insights from

the private and academic perspectives, as well as support for the work under the themes of this 11th APEC Finance Ministers' Process.

We would like to thank the Chilean Government and the Ministry of Finance for the arrangement of this APEC Finance Ministers' Process and the Chilean people for their hospitality.

We will meet again for the 12th APEC Finance Ministers' Meeting in Jeju, Korea, on 8-9 September 2005.

**APEC SMALL AND MEDIUM ENTERPRISE MINISTERIAL MEETING
SANTIAGO, CHILE
6-7 OCTOBER 2004**

JOINT MINISTERIAL STATEMENT

“OPPORTUNITIES FOR ENTREPRENEURIAL GROWTH”

APEC Ministers and their representatives responsible for Small and Medium Enterprises (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; Papua New Guinea; Peru; the Republic of the Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam, met in Santiago, Chile, on 6– 7 October 2004, under the chairmanship of H.E. Jorge Rodriguez, Minister of Economy, Chile.

The meeting was also attended by the Executive Director of the APEC Secretariat as well as by distinguished observers from the Pacific Economic Cooperation Council, the Pacific Islands Forum and the ASEAN Secretariat.

In line with the Chile APEC 2004 theme of “One Community, Our Future”, the policy theme was “Opportunities for Entrepreneurial Growth”. The aim was to identify the best entrepreneurial practices in the APEC community.

The approach to organize a separate retreat session for the Ministers, prior to the formal plenary sessions, was deemed to be a success. There were lively discussions and meaningful exchange of views by the Ministers on the “Santiago Agenda for Entrepreneurship” and on SMEs as a cross-cutting policy issue within APEC. The retreat format allowed more relaxed and theme-oriented discussions. Ministers recommended that this approach be adopted for future meetings to allow Ministers to fully deliberate issues that are of concern to APEC economies.

APEC Agenda for Entrepreneurship

Ministers adopted the “Santiago Agenda on Entrepreneurship” which is published in a separate document.

Ministers recognized that SMEs are key generators of innovation, wealth and employment among APEC economies. The future of dynamic knowledge-based SMEs is core to the future of APEC.

The Agenda recognized two significant factors that allow SMEs to flourish.

First, is the enabling business environment that encourages the formation and growth of enterprises. Such an environment is characterized by stable macro and microeconomic policies that are business-friendly; legal and governance systems that uphold the rule of law; a regulatory framework that is facilitative of sustainable business growth; and, a culture that supports and rewards entrepreneurial endeavors.

Secondly, Governments should assist in realizing the potential of the SMEs in their economies by providing support for SME growth and by removing barriers that impede their growth.

With regard to the latter the Agenda identified:

- the need to develop the business expertise of entrepreneurs and to encourage the creation of an entrepreneurial culture that also recognizes the contribution of women, rural and micro-enterprises (MEs), minorities and young people, to business and economic growth;

- a role for Governments and financial institutions in facilitating access to finance for credit-worthy SMEs and MEs on affordable terms and which allows for access to professional advice for business improvement;
- the rapid diffusion of technological innovations and the realization of their value through effective commercialization as key contributors to economic growth; and
- the need for member economies to continue their efforts to strengthen both the local and international markets to which SMEs provide products and services through the removal of regulatory impediments to business development and trade.

Ministers will submit the “Santiago Agenda on Entrepreneurship” to the meetings of the APEC Foreign and Trade Ministers as well as Economic Leaders to be held in November in Chile, as a concrete outcome of the 11th APEC SME Ministerial Meeting. An endorsement by the Foreign and Trade Ministers, and Leaders will underline the importance of the APEC process in developing and supporting the requisite policy environment for the emergence of MEs and SMEs with the region. It will also enhance the linkage between the entrepreneurial process, job creation, and income generation for the wider APEC population.

APEC Micro-enterprise Action Plan

Ministers welcomed the report of the Micro-enterprise Sub Group (MESG) on the outcomes of the Third Meeting of the Sub Group.

Ministers reaffirmed their commitment to the MESG and commended the progress made by the Sub Group in further strengthening its role. Greater focus on the objectives as outlined in its Terms of Reference will improve the work of this Sub Group.

In recognizing ME is a unique sector of the economy, Ministers noted the need for better participation by ME specialists in the Sub Group. They encouraged economies to invite appropriate ME agencies and experts to be the Sub Group focal points. These experts can contribute to technical and policy development projects undertaken.

The Ministers thanked those economies that provided studies, activities, and papers to better advance the support of ME, both urban and rural, in the APEC region.

Ministers commended Thailand’s efforts in raising environmental management issues as one of the critical factors in enhancing APEC ME development. Ministers welcomed Thailand’s offer to organize a self-funded seminar on “Environmental Management for APEC Micro-enterprises: Toward Sustainable Development” in 2005. Ministers look forward to receiving recommendations for better ME and SME initiatives which incorporate environmental awareness.

Ministers took note of the USA paper on International Financial Institutions (IFIs) and instructed the MESG to maintain an open dialogue with IFIs to study ways to develop and advance joint initiatives that would specifically benefit MEs in the Asia Pacific region. Ministers welcomed the MESG proposal for such a dialogue during the 2005 meeting in Korea. These activities can be undertaken independently from any future APEC/IFI Round Tables that may take place.

Ministers commended Viet Nam’s proposal for a project to better quantify the contributions of IFIs and other international organisations in building capacity for the ME sector. They also welcomed Viet Nam’s project on enhancing the business environment in the APEC region.

Ministers noted that in 2005, Peru will take forward its project “Micro and Small Enterprise Financing: A Tool for Mainstreaming the Informal Sector” with the purpose of analyzing the different aspects of formalization including the regulatory framework and how they affect the financing of micro, small and medium enterprises in APEC economies.

Ministers discussed the importance of creating a sound regulatory environment for ME development and called on economies to share information and best practices as well as to make an inventory of

regulatory best practices. To this end, Ministers encouraged economies to support Indonesia's initiative to hold a workshop on this issue in 2005.

In enabling the creation of an entrepreneurial society, Ministers emphasized the need for promotion of technology-based incubators, as well as incubators for the resources-based economy, especially in agriculture.

Recognizing the work done by the Women Leaders Network (WLN), Ministers noted the recommendation that the MESG and WLN jointly conduct a research project on the participation of women in MEs. In capturing such sex-disaggregated data, economies can better understand the participation and economic contribution of women, including indigenous women, in MEs in the APEC region.

APEC SME Coordination Framework

Ministers reiterated the importance of coordinating APEC efforts and activities directed towards promoting the growth and competitiveness of SMEs across all fora. This echoes the objectives approved by SOM, as outlined in the "APEC SME Coordination Framework".

Ministers applauded the work of the SMEWG in this regard. They noted that early progress had been made towards the proposed measures to improve coordination, including:

- a joint initiative by the SMEWG and the Committee on Trade and Investment (CTI) Sub-Committee on Standards and Conformance in addressing compliance with standards and conformance for SMEs;
- the Trade Policy Dialogue (TPD) on market access impediments facing SMEs held with experts from the Market Access Group (MAG) and the collaborative activities to develop strategies to overcome challenges faced by SMEs' access to Government Procurement Markets with the Government Procurement Experts Group (GPEG); and
- the first annual meeting of the signatories of the MoU on Cooperation Among APEC Financial Institutions Dealing with SMEs hosted by Thailand on 28 July 2004 and the APEC Conference on Promoting APEC Entrepreneurs: The Financiers' Perspective.

Ministers encouraged the SMEWG to continue its coordination role and to make efforts to further publicize/promote the Framework across all APEC fora. The SMEWG should also request that other fora communicate on a regular basis on proposals that will benefit SMEs and seek the input of the SMEWG as necessary. This will give recognition that the SMEWG has expertise in SME matters and that it will provide direction and add value to the efforts undertaken by all fora regarding SMEs.

Ministers noted the concerns raised in the report of the SMEWG Chair about the current management arrangements. Ministers looked forward to receiving a firm proposal to address that matter in 2005.

Co-operation with OECD Working Parties on SMEs and Entrepreneurship

Ministers welcomed the report of activities being undertaken by the OECD Working Party on SMEs & Entrepreneurship. The SME Ministerial Meeting acknowledged the recent creation of the OECD Centre for Entrepreneurship; the celebration of The 2nd OECD Conference of Ministers responsible for SMEs held on 3-5 June, 2004, in Istanbul, Turkey; and "The Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs".

Ministers encouraged the SMEWG to continue to cooperate with the OECD through sharing of information, and to explore opportunities for further collaboration.

Collaboration with Other Related Organizations

Ministers thanked APEC Business Advisory Council (ABAC), WLN, Pacific Economic Cooperation Council (PECC) and Inter-American Development Bank (IDB) for the ongoing contributions to the SMEWG and the MESG and noted the importance of the private sector perspective.

Ministers welcomed the continued participation of the WLN in the MESH and commended its commitment to the advancement of women and gender issues throughout APEC. They noted that the WLN is seeking support and requested SOM and APEC Secretariat to explore how this can be achieved. Ministers agreed that APEC needs to formulate and implement policies that promote the development of women-managed SMEs and MEs and business development services for those firms. Ministers also encouraged the sharing of best practices across APEC and welcomed the participation of WLN in the SMEWG and Ministerial Meetings.

English and Other Languages as Business Tools

Ministers welcomed the results of the Third APEC Education Ministers' Meeting, and especially their work on best practices for the teaching of English and other languages as business tools. Ministers requested that their officials cooperate with the Education Network (EDNET) in order to identify specific actions towards the collective development of a Strategic Plan for English and other Languages in the APEC Region. This will encourage greater mobility and assist SMEs and MEs in meeting the challenges posed by globalization.

Secure Business Environment

Ministers recognized that terrorist attacks in the APEC region have engendered new requirements to secure the movement of people and goods. These are affecting the business environment for SMEs in the region. They supported APEC's commitment to undertake security measures related to trade, but recognized the need to address the business community's concerns about the increasing costs generated by security-related measures.

Review of Projects Underway in SMEWG

Ministers commended the progress and implementation of APEC funded and self-funded projects which offer valuable contributions to understanding the elements needed for entrepreneurship to flourish. Projects are listed below.

- The two phases of Chinese Taipei's project "From Income Generation to Patent Creation: Incubating Innovative Micro-enterprises", which focused on entrepreneurship promotion through incubation of innovative new ventures, and the "Symposium on Industrial Clustering for SMEs" were also commended. Ministers expected the industrial clustering symposium to develop best practice guidelines.
- Russia's International Conference on "Small and Big Business Interaction", which offered a valuable exchange and networking opportunities.
- The second stage of the Canada/Philippines APEC-IBIZ project on "Implementation and Program Enhancement" has been successful in expanding the network of business counselors and national institutes.
- The Bank Rakyat Indonesia (BRI) International Visitor Training Program implemented by Indonesia exemplified of how developing economies advance their role in international cooperation. Ministers thanked the Indonesian Government and BRI for funding, hosting and implementing a very professional and advanced training program, which focused on the benefits of commercial microfinancing.
- Indonesia's project "The Need and Availability of Micro-Finance Services for Micro-Enterprises: Bringing Multi-Level Good Practices into Local Context" was also commended.
- Korea's multi-phased project "Enabling e-Micro-enterprise Environment: Through Survey and e-Community Based Capacity Building", which involved a survey, forum and training workshop was commended for initiating a new model of cooperation to promote SME informatization among the APEC economies.

- USA's Voluntary Visitors Program for APEC SME Government Officials, which included a Standards Training Program module, was welcomed as an example of public-private sector cooperation in capacity building.
- Brunei's workshop for SME Managers on Reducing SMEs Compliance Cost, which will address issues related to the cost of compliance to Standard and Conformance processes for SMEs to gain access to overseas markets, and Australia's SME Impediments Monitoring System, were welcomed as steps to ease barriers to SMEs in international trade.
- The 7th APEC SME Business Networking Promotion Forum and the APEC Meeting for Cooperation among SME Policy-Implementing Agencies, both hosted by Japan External Trade Organization (JETRO), to be held in October in Sendai, Japan are commended as practical steps to improve networking among agencies, SME organizations and SMEs themselves.
- Ministers welcomed China's efforts to host the 3rd APEC SME Technology Conference and Fair, and the 2nd APEC SME Service Alliance Forum (SMESA) in Ningbo. Ministers recommended China to further coordinate the efforts of the SMESA with the SMEWG and the APEC process in general. The SMESA is able to play a valuable role in the APEC process, especially enhancing the place for SMEs in it.

Promoting Innovation of SMEs

Ministers welcomed Korea's theme for 2005 "Promoting Innovation of SMEs". The theme recognises that innovation is a practical response to the fast-changing international business environment. There will be three sub-themes:

- Human resources and technology development through industry and academia linkages
- Enhancing availability of capital to innovative SMEs
- Networking and clustering for innovative SMEs

Ministers took note that the next SME Ministerial and related meetings, such as the WLN and the business forum will be held in Daegu, Korea, from 28 August to 3 September 2005. In conjunction with the meetings, the "Innovative Technology Show 2005" (Inno Tech Show 2005) will be held as a showcase for innovative SMEs to open new business opportunities and enhance public awareness of their state of the art technology.

SANTIAGO AGENDA ON ENTREPRENEURSHIP

1. APEC ENTREPRENEURSHIP PROMOTION POLICY

The quality of the businesses and the strength of the entrepreneurial capability are key factors in the productivity of an economy. The number and quality of people with entrepreneurial skills are key to maximize the efficient use of capital, labour and natural resources of an economy.

Consequently, in order to increase productivity and competitiveness, firms require first- class business management as well as value-added generating and innovative projects that can provide them with the necessary competitive edge.

Encouraging an entrepreneurial culture and business start-ups, have become central policy goals for the development of small and medium-sized enterprises. Several Asian-Pacific economies are undergoing a critical shift in terms of business development policies. These policies include the development of new businesses and the promotion of a new way of thinking that values entrepreneurship. This is evidenced by the numerous programmes launched in recent years by public and private institutions for the development of new enterprises and the promotion of an entrepreneurial spirit –both at national and local levels.

The various entrepreneurship promotion policies of the APEC economies are aimed at promoting the development of innovative, value-added generating firms. The emphases placed on entrepreneurship promotion differ according to the priorities of each member economy.

2. PURPOSE OF APEC'S ENTREPRENEURSHIP PROMOTION ACTIVITIES

Entrepreneurship promotion is aimed at increasing an economy's competitiveness through: a) strengthening and broadening the business base; b) promoting innovation; and, c) increasing the number of well-established, successful, value-added generating enterprises.

3. CRITERIA FOR THE INTERVENTION

3.1. Justifying Public Interventions

Entrepreneurship promotion policies in APEC economies respond to the need to correct market failures that prevent the optimal allocation of productive resources.

In addition to market failures, there are other reasons justifying public intervention in the economy, among others: unequal income distribution; economic instability; disadvantage based on ethnicity; imbalance between rural and urban development; and gender inequity. The priority accorded to these objectives will vary between economies.

3.2. Market Failure and Barriers to Entrepreneurship Development

In this context, market failure refers to, among other things, lack of competition, the existence of public good, externalities, incomplete markets and information asymmetries.

Entrepreneurship promotion policies and actions seek to mitigate such market failures in order to encourage the development of the private sector's entrepreneurial drive. Such barriers often stem from:

- a) Information asymmetries.
- b) Inadequate human capital.
- c) Poor access to funding.
- d) Low levels of innovation skills.
- e) Excessive government bureaucracy.

- f) Market entrance and exit transaction costs.

4. INTERVENTION STRATEGY AND SCOPE

Government intervention seeks to solve or mitigate market failures that limit entrepreneurial development. The aim of these policies is to have entrepreneurship as one of the main drivers of economic development.

The institutions and regulatory frameworks of each of the APEC economies should be consistent with entrepreneurship promotion. Regulations should be facilitators rather than barriers to business activity. The specific regulations will vary according to the economy's particular features and conditions.

A key issue of entrepreneurship promotion strategies is the development of comprehensive networks that support entrepreneurship. These networks must cover all steps of entrepreneurs' training and business development. They should involve public-private cooperation and link the efforts of the many stakeholders involved in business development processes.

Another critical aspect of entrepreneurship promotion strategies is the social positioning of the entrepreneurial activity. Entrepreneurs should be esteemed by society for their contribution to employment generation, improvements in local quality of life and innovations with which they enrich society. Citizens should be encouraged to create new ventures.

Several cross-cutting areas of work are available to promote entrepreneurship in APEC economies:

- a) Extend the social and gender base for the generation of dynamic businesspersons.
- b) Increase the number and quality of business opportunities.
- c) Disseminate positive role models to create an entrepreneurial vocation.
- d) Provide potential entrepreneurs with work experience.
- e) Encourage the development of entrepreneurial networks.
- f) Promote local entrepreneurial development.
- g) Leverage the transforming power of new knowledge-intensive businesses.
- h) Create entrepreneurial enabling conditions.
- i) Take a holistic approach based on the combination of efforts among the different governmental agencies, with the private sector playing a key role.
- j) Understand entrepreneurial development as a long-term economic and social investment.

Public policies for entrepreneurship promotion may be focused on the following areas: Developing Human Capital, Access to Funding, Removing Barriers to new Business Creation, and Innovation and Technology.

4.1. Developing Human Capital

Human capital development aims at creating a culture of entrepreneurship through the training of students from different disciplines and at different educational levels as well as workers and business people. It includes:

- a) Promotion of an entrepreneurial culture.
- b) Promotion of entrepreneurial vocation and skills through the education system and fostering of a closer relationship between academia and the labour market.
- c) Development of frameworks to facilitate and reinforce early entrepreneurship training.
- d) Entrepreneurship education and training plans at national and local levels.
- e) Development of education centers to promote entrepreneurship abilities among students.
- f) Teacher training to deliver education projects focused on entrepreneurship.
- g) Fostering program contents to promote entrepreneurship skills, responsible decision-making, systemic problem analysis, creativity, self-management and responsibility among the students of all educational levels.
- h) Development of training programs and consulting services designed for start-ups.

4.2. Access to Funding

The objectives for improving the access to funding for entrepreneurial efforts include the implementation of mechanisms and networks for entrepreneurs to access financial resources to carry out their projects. Also:

- a) Public grants to support the access to financial markets should be limited in time, to avoid companies becoming dependent on permanent state support for businesses.
- b) Good banking practices in terms of regulation and rules for the financial market.
- c) Government assistance for transaction costs rather than for prices or interest rates.
- d) Coordination of guarantees between private financial institutions and micro and small businesses.
- e) Promotion of specialization in the financial institution sector and creation of specialized providers for funding emerging companies.
- f) Development of Capital Networks – Seed Capital and Venture Capital.

4.3. Removing Barriers for New Business Creation

The removal of barriers for business development seeks to eliminate those issues that prevent the adequate development of the entrepreneurial activity. Such actions, however, should not lead to market distortions. They could include:

- a) Support for the incorporation of companies.
- b) Facilitation of the exit of failed enterprises.
- c) Speeding-up government and municipal decision-making.
- d) Eliminate barriers to market access.
- e) Enhance communication between entrepreneurs and regulatory authorities about new regulatory burden.

4.4. Innovation and Technology

Technology innovation, development and adaptation are key factors for the achievement of competitive-edge, value-added business initiatives. Special emphasis must be provided to the development of knowledge networks and project development and implementation skills. Amongst other things:

- a) Development of knowledge-based networks by strengthening the links between universities and firms.
- b) Technology adaptation and development, specifically in niches with high potential or emerging industries.
- c) Generation and strengthening of business incubators to help increase the numbers of innovative and/or competitive edge enterprises.
- d) Promotion of world-class intellectual and industrial property protection.
- e) Fostering of technological business networking.

**PATAGONIA DECLARATION ON TOURISM
IN THE APEC REGION**

**PUNTA ARENAS, PATAGONIA, CHILE
14 OCTOBER 2004**

Recognizing the growing importance of the tourism industry to all the economies in the Asia Pacific Region, we, APEC Ministers and their representatives for Tourism from Australia; Brunei Darussalam; Canada; Chile; the People's Republic of China; Hong Kong, China; the Republic of Indonesia; the 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, met under the APEC Chile 2004 theme of "One Community, Our Future", in Punta Arenas, Chile, on 13-14 October 2004, under the chairmanship of H.E. Mr. Jorge Rodriguez, Minister Responsible for Tourism for Chile.

The meeting was also attended by the Executive Director of the APEC Secretariat as well as by the distinguished observer from the Pacific Islands Forum, PIF.

We undertook valuable discussions during our Retreat Session on board the MN "Mare Australis", navigating through the southern Chilean channels located in Tierra del Fuego, as well as in a Plenary Session in Punta Arenas.

We adopted the following:

1. The Tourism Charter established by APEC Tourism Ministers in Korea, in July 2000, provides a long-term vision for tourism across the APEC region. The Charter includes a comprehensive set of policy goals that guide the work of the APEC Tourism Working Group (TWG) to enhance the economic, cultural, social and environmental well-being of APEC member economies, which are as follows:
 - a. Remove impediments to tourism business and investment;
 - b. Increase mobility of visitors and demand for tourism goods and services;
 - c. Sustainable manage tourism outcomes and impacts; and
 - d. Enhance recognition and understanding of tourism as a vehicle for economic and social development.
2. We note the work of the TWG and their report on their achievements during the first four years of the Tourism Charter. In particular, we took note of:
 - a. Fourteen projects completed across all four policy goals;
 - b. Four best-practice case studies of particular importance to less developed economies on topics such as safety and security, development of tourism satellite accounts, e-commerce for SMEs, and the special needs of travellers with restricted physical ability; and
 - c. The establishment of the APEC International Centre for Sustainable Tourism (AICST), which provides technical support to complement the work of the TWG.
3. To maximize progress towards implementing the Tourism Charter, we instruct the TWG to undertake a strategic review to ensure a work program that addresses challenges affecting tourism in the coming years, for consideration by the Ministers in 2006. Such challenges should include but not be limited to:
 - a. Safety and security;
 - b. Policy and regulation;
 - c. Measuring sustainability;
 - d. Classification and accreditation;
 - e. Infrastructure and
 - f. Niche product development, such as sports tourism, health tourism and others.

4. We encourage all APEC member economies to continue work on Tourism Satellite Accounts to measure the precise value of tourism in their economies and underline the need to implement crisis management plans and to facilitate intra regional cooperation. We also encourage member economies to promote timely infrastructure development and information exchange within the APEC Region.
5. We acknowledge that the theme of this Third APEC Tourism Ministerial Meeting, “Exploring our Diversity”, is very significant and important to the tourism development of the APEC member economies. The work of each and every policy goal is underpinned by the importance of strengthening cultural, environmental and economic sustainability. We recognize that member economies must continue to work in partnership with the private sector to address these issues.
6. We recognize that collaboration and cooperation occurs within APEC as much as with external partners. To this end, we encourage the TWG to enhance ties with the APEC Small and Medium Enterprises Working Group; the Human Resources Development Working Group; the Health Task Force and the Counter Terrorism Task Force and other such fora that are of particular relevance to tourism, for increasing mobility and the safety and security of business people, tourists as well as response to crisis situations affecting the region. In addition, there should be closer ties with the APEC Women’s Leaders’ Network to foster the greater inclusion of women as travellers and tourism entrepreneurs.
7. We welcome the results of the Third APEC Education Ministerial Meeting, whereupon ministers stressed the need for APEC member economies to foster capacities in language skills. As such, we recognize that English and other languages constitute important operational tools for business in the tourism industry.
8. We underscore the importance of tourism to the economic, social, cultural and environmental well-being of Asia-Pacific. In addition to being a significant employer through its many small and medium enterprises, tourism is a key vehicle for promoting mutual understanding and respect for the natural environment throughout the region.
9. We were pleased to have as guests at this Ministerial Meeting, representatives from the following organizations:
 - a. World Tourism Organization, WTO
 - b. World Travel and Tourism Council, WTTC
 - c. APEC International Centre for Sustainable Tourism, AICST

We appreciate their contribution during the meeting and we look forward to further collaboration with these organizations, and others such as the Pacific Asia Travel Association, PATA. Involving other public and private sector experts broadens the basis of dialogue within the tourism forum.

10. We acknowledge the contribution and the hospitality provided by the host Government of Chile; the Regional Government of Magallanes and the Chilean Antarctic, as well as the work undertaken by the APEC Tourism Working Group and the APEC Secretariat, for the success of this Ministerial Meeting.