

**ASIA-PACIFIC ECONOMIC COOPERATION  
CONCLUDING SENIOR OFFICIALS' MEETING  
FOR THE NINETEENTH APEC MINISTERIAL MEETING**

*Sydney, Australia*

**CHAIR'S SUMMARY CONCLUSIONS**

The Concluding Senior Officials Meeting (CSOM) for the Nineteenth APEC Ministerial Meeting was convened in Sydney, Australia, on 2 September. Senior Officials from all APEC economies and the Chairs of the Committee on Trade and Investment (CTI), Economic Committee (EC), SOM Steering Committee on ECOTECH (SCE), and the Budget and Management Committee (BMC) attended. The APEC Secretariat, representatives of the APEC Business Advisory Council (ABAC) and official observers, the Pacific Economic Cooperation Council (PECC), the Pacific Islands Forum (PIF), and the ASEAN Secretariat also participated.

**CSOM PLENARY SESSION**

**I. OPENING REMARKS AND ADOPTION OF THE AGENDA**

The agenda was adopted.

**II. TRADE AND INVESTMENT LIBERALISATION AND FACILITATION**

Multilateral Trading System

The SOM Chair noted that a draft Leaders' statement on the WTO Doha Round had been circulated and a meeting to discuss the Statement would be held at 9.00 am on 4 September.

Report to Leaders on Regional Economic Integration

The SOM Chair thanked economies for their input into the draft report to Leaders on Regional Economic Integration (REI). He advised that the next iteration, taking into account the discussion held during the informal meeting of Senior Officials on 1 September, would be circulated for final comments before being submitted to Ministers later in the week.

Committee on Trade and Investment (CTI)

The Chair of the Committee on Trade and Investment (CTI) provided an overview of the *2007 CTI Annual Report to Ministers* (Document No. 15), covering CTI activities in six key priority areas: support for the multilateral trading system, RTAs/FTAs, trade facilitation, digital economy and intellectual property rights (IPR), transparency, and investment.

The CTI Chair noted that the CTI work to support the multilateral trading system focused on capacity building activities aimed at helping developing member economies participate in WTO negotiations. In relation to trade facilitation, he noted that Ministers Responsible for Trade (MRT) at their meeting in Cairns in July endorsed APEC's second Trade Facilitation Action Plan (TFAP II). The CTI Chair also noted that CTI had completed a number of initiatives on digital economy and IPR, and had held a symposium in Sydney on Trading

Ideas – the Future of IP in the Asia Pacific in January. CTI also reviewed implementation of APEC’s general transparency and sector-specific transparency standards, and commissioned a study by the World Bank on *Transparency and Trade Facilitation in the Asia-Pacific: Estimating the Gains from Reform*, which would be considered by CTI in 2008 in the course of developing future trade facilitation activities. CTI made good progress in implementing its expanded investment work program, which included a study on *Enhancing Investment Liberalisation and Facilitation in the Asia-Pacific Region (Stage 2)*, and in identifying barriers to investment across APEC economies. It would develop in 2008 an Investment Facilitation Action Plan (IFAP).

On RTAs/FTAs, CTI continued to work on draft model measure chapters, building on the seven chapters endorsed in 2005 and 2006. However at the time of reporting, work was continuing on several chapters but none had been agreed. The SOM Chair instructed the CTI Chair to try to secure agreement on RTAs/FTAs model measures, noting that Ministers expected at least three additional sets, which would be put forward for their consideration. (Agreement was reached subsequently by CTI on three additional chapters: e-commerce, rules of origin and sanitary and phyto-sanitary measures. These were endorsed by SOM out of session and submitted to Ministers.)

The CTI Chair also outlined the Committee’s work on e-commerce, led by the Electronic Commerce Steering Group (ECSG), and highlighted the development of a new pathfinder initiative on Data Privacy. The Capacity Building Steering Group (CBSG), a newly established informal group within the CTI, is supporting better integration of capacity building strategies into any new CTI initiatives.

The CTI had refined further the IAP Review process. It had also worked closely with the Economic Committee (EC), the Strengthening Economic and Legal Infrastructure Group (SELI) and the Competition Policy and Deregulation Group (CPDG) on the re-alignment of SELI and CPDG with the EC under its revised structural reform mandate. SELI and CPDG will continue to report to CTI on issues relating to the Osaka Action Agenda. The CTI Chair also noted that the E-Commerce Steering Group was now reporting to SOM through CTI.

The CTI Chair highlighted the importance of CTI engaging more closely with the business community and the APEC Business Advisory Council (ABAC), and noted initiatives such as the Automotive and the Chemical Dialogues as well as the Life Sciences Innovation Forum held this year had contributed to improved cooperation and interaction between the public and the private sectors.

The CTI Chair noted that his two-year tenure as the CTI Chair would come to an end on 31 December 2007, and nominated Ms Elizabeth Chelliah from Singapore as the next CTI Chair. SOM agreed to the nomination of Ms Chelliah as the next CTI Chair.

SOM endorsed the 2007 CTI Annual Report to Ministers (Document No. 15) and associated papers to be submitted to Ministers, including:

- . SOM Chair’s 2007 IAP Summary Report (Document No. 18),
- . IAP Peer Review: List of Experts, List of Review Teams and Division of Work (Document No. 13),
- . Best Practices Paper on Innovative Techniques for IPR Border Enforcement (Document No. 16),
- . 2007 Stocktake of Electronic Commerce Activities in APEC (Document No. 14),

- . APEC Data Privacy Pathfinder (Document No. 19),
- . Update on the SELI Voluntary Reporting Mechanism (Document No. 20), and
- . Reporting Lines of the CPDG and SELI (Document No. 23).

The SOM Chair encouraged economies to continue to work to resolve concerns related to the APEC Cooperation Initiative on Patent Acquisition Procedures (Document No.21) and to model measures, with a view to having them included in the CTI Annual Report to Ministers later in the week. (This occurred.)

### **III. STRUCTURAL REFORM**

The EC Chair provided an overview of the 2007 Economic Policy Report (Document No. 2). He said the EC would progress APEC's structural reform agenda across the five Leaders' Agenda to Implement Structural Reform (LAISR) priority areas, as outlined in the LAISR Forward Work Program (Document No. 3). He emphasised three key factors for the successful implementation of the Forward Work Program – he encouraged members to engage fully in the Reform Friends of the Chair (FOTC) groups, contribute actively to progress activities within the work program, and ensure that ministries with key responsibilities for structural reform participate at the EC. The EC would conduct in 2010 a stocktake on APEC's progress on structural reform.

The SOM Chair noted that a SOM policy dialogue on structural reform would be held in the margins of SOM I in Peru next year. This would follow the first Senior Finance Officials Meeting for APEC 2008 in early December. He reminded member economies that the Australian Treasurer had offered to host the first ministerial meeting on structural reform issues in 2008. Australia had been working informally with some economies on the meeting agenda, and hoped to share specific ideas soon.

SOM endorsed the 2007 Economic Policy Report (Document No. 2) and the LAISR Forward Work Program (Document No. 3).

### **IV. ECONOMIC AND TECHNICAL COOPERATION (ECOTECH)**

SOM endorsed the 2007 Senior Officials' Report to Ministers on ECOTECH (Document No. 5), presented by the Chair of the SOM Steering Committee on ECOTECH. SOM noted good progress with implementation of the APEC fora review, which saw a more streamlined APEC structure and four reinvigorated fora including the Health Working Group, the Small and Medium Enterprise Working Group, the Human Resource Development Working Group and the Mining Taskforce. He noted that restructuring and streamlining of APEC structures should be ongoing to ensure effectiveness and efficiency, and to avoid any duplication.

SOM also noted the APEC Digital Opportunity Centre (ADOC) Progress Report (Document No. 4).

## **V. HUMAN SECURITY**

### Report of the Counter Terrorism Task Force

SOM endorsed the Counter Terrorism Task Force (CTTF) Chair's Report on 2007 Deliverables, including the APEC Food Defence Principles, which were endorsed intersessionally.

### Task Force for Emergency Preparedness

SOM endorsed the Report of the Task Force for Emergency Preparedness (TFEP), which included the outcomes of the TFEP Emergency Management CEOs' Seminar: Enhancing Economies Emergency Preparedness (Document No.7). SOM noted the value of the CEOs' Seminar as a forum to engage emergency management practitioners and experts in APEC's work in this field.

### Other 2007 Human Security Outcomes

The SOM Chair advised member economies that a background paper on human security had been circulated in advance of CSOM to help focus ministerial discussions on this issue at the APEC Ministers Meeting (AMM) Retreat on 5 September.

## **VI. APEC REFORM**

The SOM Chair noted that agreement had already been reached on the 30 per cent increase in member contributions from 2009 and on establishing the Policy Support Unit (PSU). He advised that a meeting of the FOTC had been convened to discuss the proposed term-appointed Executive Director and hoped that it would be possible to reach agreement on the proposal in the next few days so that it could be included in the package of reform measures to be submitted to Ministers. He reiterated that reform was a continuous process and Senior Officials needed to consider areas for further reform into 2008. SOM agreed it was important that work begin immediately on the development of detailed governance and management arrangements for the PSU with a view to agreeing them before the end of 2007 so that the Unit can be established in early 2008.

## **VII. BUDGET AND OTHER MANAGEMENT ISSUES**

### Report of the Budget and Management Committee (BMC)

SOM endorsed the Budget and Management Committee (BMC) report (Document No. 8), including its recommendations. SOM also agreed to recommend the report to Ministers for approval, noting that Ministers would need to approve the APEC 2008 Budget, including

- . 2008 Administrative Account budget,
- . 2008 Operational Account budget,
- . 2008 APEC Support Fund budget,
- . 2008 Trade and Investment Liberalisation and Facilitation Special Account budget; and
- . 2008 rates of contributions by Member Economies.

Several economies noted the importance of tighter budget processes, especially in light of the proposed increase in membership contributions. They urged greater transparency and oversight of the Budget by SOM. The SOM Chair noted that improvements had been made this year to enhance transparency and management of Secretariat processes to provide clear oversight of the Budget. SOM encouraged further work in this area, and instructed the Secretariat to provide quarterly budget reports to SOM.

#### Executive Director's Report on the APEC Secretariat 2007 Outputs

SOM endorsed the 2007 Report of the Executive Director of the APEC Secretariat (Document No. 22), noting that as part of the ongoing reform of the Secretariat, it had appointed a Chief Operating Officer (COO) and an IT Director. It had established a new Project Management Unit (PMU) to further improve project management processes.

### **VIII. OTHER ISSUES**

#### Finance Ministers Meeting

SOM noted a summary report on the outcomes of the Finance Ministers Meeting (Document No. 6).

#### Anti Corruption Taskforce Deliverables

SOM endorsed the Anti Corruption Taskforce (ACT) paper on *Fighting Corruption through Improved Legal Cooperation* (Document No. 9), which would be included in a package of four ACT deliverables for 2007, to be submitted to Ministers for endorsement.

#### APEC 2007 Senior Officials' Report to Ministers

The SOM Chair asked for final comments on the Senior Officials' Report to Ministers and the draft AMM statement within the next two days. He also provided an update on the three draft statements for the APEC Economic Leaders Meeting (AELM), including:

- a statement on the WTO Doha Round – a draft was circulated at the Informal Session, and there would be a meeting on 4 September;
- a statement on climate change, energy security and clean development – a draft was circulated to capitals a week prior to CSOM, and a drafting session on this statement would be held on 4 September, chaired by the Prime Minister's Special Envoy Michael L'Estrange; and
- a general Leaders' statement on other issues – a revised draft was circulated and Senior Officials were invited to provide further comments within the next two days.

The SOM Chair noted that Senior Officials would also need to endorse the draft REI report for forwarding to Ministers.

#### Information Items and Classification of documents

SOM endorsed a discussion paper tabled by Canada and New Zealand on *Acceleration of the APEC Work Programme on Private Sector Development* (Document No. 17).

SOM noted that Peru had tabled a tentative list of the APEC Peru 2008 Meeting Schedule (Document No. 24).

The SOM Chair invited comments from APEC Official Observers. The PECC Chair, Dr Charles Morrison, referred to the Council's annual *State of the Region Report*, which provides an assessment of the key issues for, and the challenges facing, the Asia-Pacific region. The report included a survey of the views of 370 senior policy makers, business leaders and academics. A high percentage of the survey respondents considered it important for APEC to strengthen its Secretariat, including by professionalising its staff and increasing its central budget. The proposed appointment of a fixed-term Executive Director was seen as an integral part of the strengthening of the APEC Secretariat.

The SOM Chair noted that the document classification list would be uploaded to the AIMP.