

Annex B

APEC Strategic Blueprint for Promoting Global Value Chains

Development and Cooperation

Global Value Chains (GVCs) have become a dominant feature of the global economy. Better understanding and supporting the “trading tasks” involved in adding value to the final products that cross borders has become paramount to realizing a more effective policy and regulatory infrastructure for global trade. Efficient and workable GVCs within and between each of APEC economies has accordingly become a key focus for economies at all levels of development.

Given the diverse needs and situations of APEC economies participating in global trade networks today, an overall policy direction guiding improved cooperation and a more focused GVC evolution is essential to facilitating sustainable, inclusive and balanced growth in the Asia-Pacific region. Consistent overall policy based on input from each economy is essential for moving APEC’s trade and investment agenda forward, and facilitating APEC’s push for regional economic integration.

In 2013, APEC Leaders agreed to *promote GVC development and cooperation in the APEC region on the basis of previous work on connectivity*. This agreement highlights the need for APEC economies to work strategically and take action in creating an enabling environment for GVC development and cooperation. In response to Leaders’ instruction, APEC economies agree to develop a Strategic Blueprint for promoting global value chains development and cooperation, and agree to:

1. Addressing trade and investment issues that impact GVCs. Reducing trade and investment barriers will improve economies’ access to global production networks and allow firms to source less expensive inputs globally, which in turn would lower costs, increase efficiency and enhance competitiveness. For 2015, APEC could launch initiatives in the areas of importance to enhancing GVCs, and study the impact of measures on the growth of GVCs, the participation of economies and businesses in GVCs, and our regional economy. These initiatives could address areas of importance ranging from well-known issues to next generation issues. APEC could then explore best practices to help economies adopt more trade and investment friendly approaches in these areas, while achieving their domestic economic or regulatory objectives, lowering trade costs, and enhancing GVCs.

2. Cooperate on improving statistics related to GVCs. In light the principles of “from easy to hard” and “moving from technical proficiencies to policy”, we will take a step-by-step approach in compiling domestic account and foreign trade statistics, and developing categories harmonized to realize effective correlation of data among APEC economies that can contribute to the WTO-OECD Trade in Value-Added (TiVA) database. Without duplicating existing work at the WTO and OECD, the CTI

will undertake further efforts in 2015 and future years on policy research, information exchange, developing shared approaches on statistics collection, and offering focused capacity building programs. In order to support and facilitate the work on this area, APEC should explore the establishment of an experts group on value added trade to help its member economies undertake trade policy capacity research, exchange information, develop approaches on statistics collection, and conduct focused capacity building efforts.

3. Realize the critical role of trade in service within GVCs. We shall continue ongoing work to promote open, efficient, and internationally-competitive service sectors, and maximize the contribution that services can make to strong, resilient and reliable supply chains in this region. We need to conduct targeted capacity building to help economies better understand and stimulate the development of innovative services within GVCs, build on shared information among economies. We shall work with economies at all stages of development to create an open and competitive environment for services development.

4. Enable developing economies to better participate in GVCs. In light of the diversity of APEC member economies, we recognize that comprehensive economic and technical cooperation will play a key role in ensuring greater participation of developing economies in GVCs, and help them achieve their domestic economic objectives. We shall integrate economic and technical cooperation into the paths identified for future development, and further leverage cooperation activities, including targeted capacity-building programs for helping developing economies enter and move up GVCs, for example through public-private GVC collaboration partnerships, programs on human resources development, and further work in APEC on technology dissemination and commercializing creative content. We will emphasize and adopt a multi-year strategic plan based on the core agenda of APEC and employ goal-oriented, focused approaches.

5. Assist SMEs to benefit from GVCs. We shall develop and implement initiatives to assist our SMEs in the areas that matter most to GVCs: infrastructure, supply chain connectivity, innovation, skills, and adoption of international standards. We will take steps to enhance capacity building activities and raise their understanding of how to participate in GVCs. APEC shall achieve this by facilitating SME access to trade and investment related information via increased utilization of information and communication technologies (ICTs), enhancing intellectual property protection, and providing further information on tools and processes that would help them enter and move up GVCs. APEC should also foster linkages between SMEs and MNEs by helping our economies build an open and transparent regulatory and investment climates.

6. Improve the investment climate for GVCs Development. We recognize the importance of adopting and maintaining laws, regulations, and practices that facilitate investment. We reaffirm the importance of continued efforts to improve the

investment climate in the APEC region, including through taking concrete steps to facilitate investment as per existing APEC investment documents, such as the APEC Non-Binding Investment Principles, the APEC Investment Strategy and the APEC Investment Facilitation Action Plan (IFAP). APEC will help economies 1) implement sound investment strategies which deal with investment applications expeditiously, fairly, and equitably; and 2) facilitate investment through creating and maintaining transparent and sound administration procedures that apply for the lifetime of the investment.

7. *Adopt effective trade facilitation measures.* We reaffirm our commitment to achieving an APEC-wide target of a ten percent improvement in supply-chain performance by 2015, in terms of reductions in the time, cost, and uncertainty of moving goods and services throughout the region. Accordingly we will further advance a capacity building program to address the identified supply chain connectivity (SCC) chokepoints and improve the performance of supply chains. To this end, we will carry out additional concrete actions, including the establishment of an APEC Supply Chain Alliance and promoting cooperation on green supply chains. We welcome the framework for advancing supply chain connectivity through mutual recognition of control, mutual assistance of enforcement and mutual sharing of information (SCC-3M) among customs agencies and other government agencies related to trade, and will advance the Model E-port Initiative. We will also share best practices of ICT infrastructure development and efficient trade facilitation measures. We also reaffirm our commitment to implement the WTO Agreement on Trade Facilitation and encourage greater contribution by APEC.

8. *Enhance resiliency of GVCs.* APEC shall make a collaborative effort to enhance cross-border value chain resilience in the region, establish more secure value chains, and conduct quantitative value chain research and analysis in the region. APEC may also carry out discussions of potential cooperation in the development of practical policy, and capacity building projects based on these analyses.

9. *Encourage public-private partnerships for GVCs.* APEC shall continue to make good use of the Public-Private Partnership Guidebook as a tool to encourage sector level partnerships for investment in regional value chains infrastructure and capacity within a high-quality institutional and regulatory framework. APEC shall also enhance trust and shared understanding between participants to foster interaction between private and public sectors across APEC economies.

10. *Strengthen collaboration with other stakeholders on GVCs.* APEC shall promote collaboration with international organizations and partner institutions, such as the WTO, UNCTAD, OECD, G20, the World Bank, IMF and ADB to enhance synergies in policy making with regard to GVCs through technical assistance and capacity-building. Further, inter-governmental cooperation and NGO promotion of activities in GVCs are also encouraged.

Conducting activities contained within this strategic blueprint will be essential to

strengthening our mutual economic ties in the global network, and to ensuring our regional economy is resilient, our growth is inclusive, and our economies become ever more connected. We believe that our people should secure equitable benefit from GVC development and that this is key to shaping a sound future through our Asia-Pacific partnership. We are determined to demonstrate APEC's leadership in fostering further GVC development and will immediately begin with concerted efforts upon the approval of this Blue print that is being proposed.