



**Asia-Pacific
Economic Cooperation**

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Agenda Item: 7.6

Group on Services Convenor's Report to CTI

Purpose: Consideration
Submitted by: GOS Convenor



**First Committee on Trade and Investment
Meeting
Ningbo, China
24-25 Feb 2014**

OAA ISSUE AREA:

CONVENOR'S SUMMARY REPORT TO CTI

1. PROPOSED WORK PLAN FOR 2014 IN RESPONSE TO 2014 APEC PRIORITIES, WITH PARTICULAR REFERENCE TO APEC LEADERS/ MINISTERS/SOM DECISIONS OF 2013:

A) SUPPORT THE MULTILATERAL TRADING SYSTEM

- The GOS discussed the outcomes of the 9th WTO Ministerial Conference and operationalization of LDCs services waiver.
- In the view to support the contribution of GOS to support the process of services negotiation in Geneva, GOS Convenor raised the possibility to request PECC to come up with ideas on the operationalization of the waiver, particularly on relating between the needs of LDCs and the preferential treatment that the other WTO members possibly granting to LDCs. Members were asked to provide feedback inter-sessionally on the Convenor's proposal.
- China updated the GOS on its notification of intent—to join the plurilateral negotiation for the Trade in Services Agreement and its position on the broader commercial benefits of its participation.

B) ADVANCING REGIONAL ECONOMIC INTEGRATION

I. Achieving the Bogor Goals

Transparency in Services Sector

- The GOS endorsed the concept note from Australia on the STAR Database Phase 4 (four). The Phase 4 will focus on the updating and expanding of the coverage of 8 (eight) services sectors in the database to all APEC economies. Australia also highlighted its intention to consolidate APEC's GOS investment in the database.
- Indonesia requested that Australia consider the possibility to add the construction services sector to the database. Australia explained why it chose to focus this phase on consolidation of existing information and limited expansion. Funding was insufficient to also add more sectors during this phase. Australia would consider adding more sectors in future phases.

Study Programme of APEC Environmental Services-Related Technology Market

- The Meeting was informed that the project has been completed with the outcome of the study already endorsed by the GOS and uploaded at the APEC Website. GOS Convenor encouraged economies to take a look at the report and inform it to the related Ministries/Government Institution as well.

Developing the Overseas Expansion Capabilities of Micro, Small and Medium Enterprise (MSME) Franchises in APEC

- The Philippine presented the completion report of the symposium and highlighted the main role of franchising services as the growing and energetic sector in the region, in the sense of enterprise and jobs creation.
- The GOS took note on the Philippine presentation and approved the completion report of this project.

Trade in Services Statistics

- The US informed the meeting that the revised completion report has been submitted to the Secretariat, incorporating inputs from several economies. In addition, The US noted the successful completion of the “ UN/APEC/ASEAN International Seminar on Services Trade and Tourism Statistics” held in Jakarta on 7-10 October 2013.

Workshop on Measuring Financial Intermediation Services Indirectly Measured (FISIM) – Financial Services

- Indonesia updated the Workshop that was held from 18-19 September 2013 in Jakarta, Indonesia. The Completion report has been endorsed by the GOS inter-sessionally prior to the GOS1 Meeting.
- The meeting took note on Indonesia’s plan to collect information from economies about their future plans in implementing FISIM in their Balance of Payment. The plan consists of activities, time schedule and obstacles. The discussion is expected to be done inter-sessionally.

Higher Education Services

- The GOS endorsed the report of the Higher Education Services Symposium, which had been previously circulated to members for comment and approval. The United States noted and the GOS confirmed that endorsement of the report as an outcome of the workshop does not imply broader endorsement of the report’s content

Enhancing provider mobility in cross order education in the APEC region

- Australia updated the GOS Meeting that funding was approved for the proposal and thanked Hong Kong China, Papua New Guinea and the United States for co-sponsoring the project. It also highlighted the contribution of this project to the implementation of the work plan on promoting cross-border education cooperation.

ii. Environmental Goods and Services (EGS)

Environmental Services Workshop

- The Meeting was informed of the approval received by Malaysia for funding of the project. Malaysia updated the meeting that the Workshopthe “APEC Workshop On Environmental Services In The 21st Century: Challenges And Opportunities For Sustainability” has been scheduled for 14 and 15 October 2014 in Aloft Hotel, Kuala Lumpur.
- The draft programme was already circulated to GOS members through the APEC Secretariat on 4 February 2014 for comments and potential speakers’ identification. In addition, GOS members are invited to nominate potential speakers to the Workshop.

I. STRENGTHING COMPREHENSIVE CONNECTIVITY AND INFRASTRUCTURE

Contributions to the implementation of the APEC Framework on Connectivity; APEC Multi-year Plan on Infrastructure Development and Investment; and APEC Travel Facilitation Initiative

APEC Draft Work Plan on Promoting Cross-Border Education Cooperation

- GOS Convenor briefed the background and status of discussion of this issue and encouraged members to actively participate in providing inputs and implementing activities in the work plan, as it is mandated by the APEC Ministers in 2013. Australia said that it would look to update the work plan, consistent with its status as a living document, with the view to providing a progress report to SOM later in the year.

- The GOS took note of Indonesia's intention to submit a concept note on the implementation of the work plan on the capacity building of National Qualification Framework (NQF), in the form of holding a symposium. However, some concerns received from economies, particularly on the appropriate sub fora/working group on this idea, as it has to be clear whether the focus is to facilitate trade in services or more on the technical issues.
- Indonesia informed the meeting its main intention to bring the idea more on facilitating trade in services. As the next step, Indonesia will consider inputs and comments from economies and submit the concept note.

Information Sharing on Logistics

- China updated the meeting that the workshop was successfully held in QingDao, China from the 12-13 December 2013 and was attended by 100 participants from both APEC economies and other participants. The outcome of the Workshop includes the analysis of the current logistics trends and other recommendation which would benefit policy makers.
- GOS Convenor highlighted the importance of the new trends in logistics and for economies to adapt to the development of the sector. The recommendations identified should be shared and disseminated with other policy makers such as economies representatives of the logistics and transportation agencies in formulating future policies. It is noted that an efficient logistics service can reduce the cost of export and contribute to the increase of goods export of economies.

Proposal to host a self-funded symposium on "Facilitating Good Regulatory Practices for Trade and Investment in Transport and Logistics Services in APEC"

- Australia updated the GOS on its proposed self-funded symposium on transport and logistics. This symposium is part of a series of symposia that aim to facilitate good regulatory practices and policies on trade and investment in services sectors in APEC. GOS was informed that Australia was considering future symposia on telecommunications and ICT, mining and energy and architecture and engineering.
- In response to concerns from China, Australia clarified that the compendium which it plans to publish at the end of the workshop series will be a compilation of GOS-endorsed symposium reports, rather than a compendium of APEC-endorsed principles..
- After agreeing with China on revised language on the compendium, Australia will circulate the revised concept note to the GOS with the view of securing endorsement by 2 March 2014.

II. EXPANDING REGULATORY COOPERATION AND ADVANCING REGULATORY CONVERGENCE

Case Studies on Services Regulatory Reform

- The US updated the Meeting on the status of the study on telecommunication regulatory reform, involving Thailand, Peru and Colombia that voluntarily participated. The report is in the drafting process and will be circulated when ready for review. The US invited economies to provide inputs on the possible services sectors to be part of potential futures studies.

III. CONTRIBUTIONS TO INNOVATIVE DEVELOPMENT, ECONOMIC REFORM AND GROWTH, IN PARTICULAR, APEC'S LEADERS' GROWTH STRATEGY GROWTH

Joint MAG-GOS Meeting

- GOS Members were updated on the possible topics suggested in the Market Access Group (MAG) held on 22 February 2014. GOS Convenor highlighted that initial interaction with the MAG Convenor was done on whether to convene the MAG/GOS Meeting in 2014.
- Several members expressed their views that topics to be identified at the initial stage for consideration as to whether a MAG/GOS Joint Meeting to be held, rather than the decision to have a MAG/GOS Joint Meeting without having an agenda.
- GOS Convenor urged economies to be active hence having a decision on this issue. GOS Convenor welcomed ideas/topics to be discussed inter-sessionally. The deadline was set one month after this meeting to have a decision on the topic as well as the joint meeting.

IV. OTHER AREAS, INCLUDING APEC-WIDE INITIATIVES ON HUMAN SECURITY, FOOD SECURITY, APEC REFORM, GENDER AND STREAMLINING

Discussion on Streamlining of CTI Sub-Fora

- GOS discussed the recommendations in the draft Paper by CTI and noted that the recommendations in general can be accepted. However, the GOS noted comments from economies on particular points in the recommendation. (the details comments as attached).
- The Convenor expressed concern in the meeting that the Meeting that the Agenda of the CTI is too wide and covers all aspect and may wish to consider revising the structure of CTI agenda.
- GOS Convenor concerned that GOS (sub fora) platform is not being used to discuss specific issues, rather it would brought directly to the attention of the CTI. This include specific discussion such the Global Value Chain (GVC) and even project proposal. Specific issues should be deliberated and agreed at the fora level. Only then it may add value to the sub-group of CTI.

2. ACTIVITIES WITH ABAC (INCLUDING RESPONSES TO ABAC'S 2013 RECOMMENDATIONS) AND/OR OTHER EXTERNAL STAKEHOLDERS

ABAC Services Action Plan

- ABAC updated its services action plan for 2014 that was discussed the First ABAC Meeting in New Zealand. The GOS highlighted the need for ABAC action plan to be in line with the GOS Works.

Presentation by the Policy Support Unit (PSU)

- APEC policy Support Unit (PSU) briefed the GOS on The Policy Brief on Services, and Supply Chains - Taking Stock of Services-Related Activities in APEC. Among comments received from economies, GOS Convenor raised the issue on the proposed role of SOM in coordinating services technical issues.

3. GOS CONVENOR CHAIRMANSHIP

- The GOS Convenor highlighted the need to address the issue of the election of the GOS

Convenor for the term 2015 and onwards.—GOS Convenor suggested for the Host Economy to take up the post of Convenorship or, alternatively, to select GOS Convenor on a rotation basis according to alphabetical order. GOS Convenor has suggested the Philippines to take up the GOS Convenorship for 2015, consider that 2015 will be hosted by the Philippines. Should the Philippines not agree to the proposal, GOS Convenor suggested alphabetical rotation, starting from Japan.

- Several economies, including the United States, New Zealand, Australia, Canada, Japan and Singapore highlighted the need to consult their capital and on the proposal and also indicated their opposition to mandatory rotation arrangements. The strong preference is for GOS Convenor to be elected on a voluntary basis, as economies must take into many factors in the election of a specific Convenor.

4. **EXPECTED OUTCOMES/DELIVERABLES FOR 2014**

- Implement Phase IV of the APEC Services Trade Access Requirements (STAR) Database.
- Further discussion and implementation on the work plan on promoting cross-border education cooperation
- Implement the project on Enhancing provider mobility in cross order education in the APEC region
- Implement the environmental services workshop: Challenges And Opportunities For Sustainability”
- Following GOS endorsement on 2 March, implement the symposium: "*Facilitating Good Regulatory Practices for Trade and Investment in Transport and Logistics Services in APEC*"

4. **DECISION POINTS NEEDED FROM CTI**

- Considering the GOS inputs on the recommendation of reviewing the efficiency and effectiveness of CTI Sub-fora
- Endorsement for the concept note on STAR Database phase 4

GOS Inputs on the Recommendation of Reviewing the efficiency and Effectiveness of CTI sub-fora

Recommendations	Comments
<p>Sub-fora convenors should aim to convene a half-day dialogue as part of their meetings for the year (e.g. first meeting) aimed at “brainstorming” and identifying current trade and economic trends and developments relevant to their areas of expertise and “leading edge” regional and global policy and regulatory responses and issues. The sub-fora agenda and work program should be examined in light of this dialogue as well as host economy priorities. Sub-fora members should take into account relevant stakeholder inputs and views as part of this process, including business representatives, ABAC and PECC.</p>	<p>GOS can principally agree this recommendation. However, GOS views the duration of the meeting to be more flexible, based on the needs of the group to have a longer duration or even the shorter one.</p>
<p>Note that the Secretariat’s Program Directors play a key role with the CTI sub-fora and recall the agreement at SOM2, 2013, that Program Directors should be looking to enhance that role by assisting convenors in aligning the scope of their work with Leaders’/Ministers’ goals.</p>	<p>GOS welcome the recommendation</p>
<p>CTI sub-fora should include as a standing agenda item (e.g. for their second and final meeting each year) a review of the utility and relevance of the sub-fora’s current work activities, in light of APEC/CTI objectives and priorities. This should include a frank discussion of whether meaningful outputs were achieved. Discussions under this agenda item should take into account the views of ABAC, PECC and other relevant inter-governmental and non-governmental organisations with a strong interest in and capacity to contribute to the work program of the sub-fora. Sub-fora convenors should report on discussions under this agenda item to the CTI and incorporate outcomes from the discussion into the agenda.</p>	<p>GOS welcome the recommendation</p>
<p>Economies should consider whether they are being represented on CTI sub-fora by officials with appropriate seniority, expertise and experience that can make substantial contributions to the work programs/agendas of the sub-fora.</p>	<p>Economies commented that decision for representation is mandate driven. So it is not necessarily subject to the seniority/expertise.</p>
<p>Sub-fora convenors should look for opportunities to use video-conferencing technology, where practicable and in consultation with the host economy (e.g. in circumstances where “virtual” participation by an economy or other representative(s) is likely to make a significant difference to meeting outcomes or would help to progress an issue inter-sessionally). However, video-conferencing should not replace sub-fora</p>	<p>Members commented that it should be considered as an alternative tool and video-conferencing should not replace sub-fora meetings as a general rule.</p> <p>GOS would like to know the experience of the other sub-for a that have convened meetings</p>

meetings as a general rule.	remotely.
The CTI should look for opportunities to delegate more work activities and issues to sub-fora in order to strengthen sub-fora agendas and harness sub-fora expertise in support of CTI/SOM priorities as appropriate.	Subject to decision in CTI The US noted it would be important to consider more carefully the recommendation and to consider the cross cutting nature and context of particular proposals.
Sub-fora convenors should make their best efforts to attend CTI meetings or send alternates preferably from the sub-fora members) or participate remotely by video-conference. Sub-fora convenors should participate more actively in CTI discussions and look for opportunities to volunteer to carry out tasks in support of CTI/SOM priorities and “add value” to CTI-led initiatives. Verbal reports from CTI sub-fora convenors to the CTI should be concise and strategic and aimed at eliciting feedback and guidance from the CTI on key issues under discussion.	GOS welcome the recommendation
CTI sub-fora should continue to look for opportunities to collaborate with each other and with other APEC working groups in support of cross-cutting issues and initiatives.	GOS is in the discussion to have joint meeting with MAG, EC and other possible/related sub fora or working groups.