



**Asia-Pacific
Economic Cooperation**

2014/SOM1/GOS/002
Agenda Item: III

Summary Record - 52nd Group on Services Meeting

Purpose: Consideration
Submitted by: GOS Convenor



53rd Group on Services Meeting
Ningbo, China
23 February 2014

52nd Group on Services (GOS) Meeting
28 June 2013,
Medan, Indonesia

Summary Record

The 52nd meeting of the Group on Services (hereinafter referred to as “the meeting”) was held in Medan, Indonesia on 28 June 2013. Ms Sondang Anggraini, GOS Convenor, chaired the meeting. Twenty (20) economies were represented: Australia; Brunei Darussalam; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; the Philippines; Peru; Papua New Guinea, Russia; Singapore; Chinese Taipei; Thailand; the United States and Viet Nam. The APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC) and the APEC Secretariat were also present. Columbia attended as an invited guest.

I. Opening remarks

1. The Chair welcomed members to Medan noting that the 51st GOS meeting in Surabaya had been fruitful and continuous effort on GOS work to be in line with APEC 2013 priorities. Chair also recorded the appreciation to Indonesia as the APEC chair for 2013, APEC Secretariat and all APEC economies for its support and contribution in GOS meeting and welcomed Colombia as the guest in GOS meeting.

II. Adoption of the agenda

The meeting adopted the draft agenda (2013/SOM3/GOS/001).

III. Adoption of the summary record of the previous meeting

2. The meeting adopted the Summary Record of the 51th Group on Services Meeting, held on 12 April 2013 in Surabaya, Indonesia which was circulated and finalised inter-sessionally (2013/SOM3/GOS/002).

IV. GOS Work Plan for 2013 in Response to 2013 APEC Priorities: Attaining Bogor Goals

a. Support for the Multilateral Trading System

3. The GOS Convenor reiterated the importance to pursue and support the services negotiations at WTO and to strengthen the multilateral trading system as embodied in the WTO. GOS Convenor also emphasized the need of GOS to discuss the possible services trade deliverable in the forthcoming 9th WTO Ministerial Conference on December 2013, particularly on the LDC Services waiver. It was updated that currently LDCs is on a self-assessment to come up with joint requests to potential granting members which is expectedly to be finalized after summer break. It is planned to have a Ministerial Signaling Conference back-to-back with the 9th Ministerial Conference where potential granting members will response to the request.

4. Australia echoed the views of GOS Convenor on the need for LDCs to identify their requests from WTO members and concurred on the need for some action on the issue. Considering the LDCs are looking at services or services sectors, which are commercially relevant to be included in the joint request, Australia highlighted the concern for the developed economies to have sufficient time to respond and consider the request by the LDCs. As such, commented on the need for APEC to urge the LDCs in Geneva to conduct the analysis on the identifying relevant services soonest so as to allow sufficient time to respond to the request.

5. The GOS also took note the on-going Trade in Services Agreement (TISA) negotiation, included its possible impact to the magnitude of mulatilateral trading system. GOS Convenor suggested that this issue could be a possible topic at the next GOS Meeting in China next year.

6. The Meeting was also briefed by PECC on the current initiative undertaken by the International Centre for Trade and Sustainable Development (ICTSD), Geneva to assist the LDCs on areas of interest and its request. The ICTSD developed a set of questionnaires to identify the needs

of the LDCs, which has been presented and circulated to LDCs group in Geneva. The ICTSD has received 10 (ten) replies on the questionnaire and will continue to work on this. In addition there will also be a 2 and a half day trade and development symposium parallel with the WTO Ministerial Conference in Bali at the Bali Convention Centre, which will be focusing on many issues related and relevant to the WTO.

b. Enhancing Regional Economic Integration: Trade and Investment Liberalisation and Facilitation

i. Environmental Services

i.i. An update from China on the Study Programme of APEC Environmental Services-Related Technology Market project

7. The GOS Convenor recalled that the workshop on APEC Environmental Services was held earlier in Singapore last year followed by a study on EGS. China updated that the Meeting that the survey has been undertaken in Malaysia, Indonesia and Japan and that it is in the process of finalizing the report. Among preliminary findings of the study include no common /unified definition and classification on environmental services, the technology market of the environmental services is not so imbalanced and the need for capacity building by developing economies to double the effort in this field.

8. China updated that in its recent visit to the Ministry of Environment in Indonesia, it was identified that there are a lot of potentials in the environmental sector that has yet to be developed and thus, look forward to seeing more development, especially within the context of APEC.

9. GOS Convenor thanked China for the update and welcome ideas from Indonesia, on proposals that can be develop on environmental services. Indonesia and China highlighted that more efforts can be established on the environmental services through continuous effort under APEC.

10. The meeting took note that the final report will be submitted to GOS for endorsement inter-sessionally and will be uploaded at the APEC website.

i.ii Workshop on Environmental Services in the 21st Century; Challenges and Opportunities by Malaysia

11. As follow up to the discussion at GOS 1, Malaysia updated GOS economies on its new proposal “Workshop on Environmental Services in the 21st Century; Challenges and Opportunities” to complement the work undertaken on Environmental Goods and Services (EGS) under GOS. The workshop will also look at the relevant challenges and opportunities on liberalisation of the environmental services.

12. Malaysia recorded its appreciation to GOS members who have provided comments to the draft Concept Note and Australia, Chile and US for co-sponsoring the proposal. The Meeting took note that the revised Concept Note has been submitted to APEC secretariat for funding and is currently at the prioritization process by the committee before recommendation to BMC.

13. As way forward Malaysia will meet internal expert to draft the agenda including further clarifying definition environmental services and welcoming ideas for potentials speakers to be included in the programme. Indonesia also expressed their interest to work together with Malaysia on the workshop.

14. Australia highlighted its support for the proposal and suggested for the environmental services to be concentrated on broader context which fits in the discussion that is taking place in the WTO.

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

15. GOS Convenor recalled that proposal was resubmitted for consideration and for implementation by 2014. The Philippine updated that the preparation of the symposium will be held in Manila instead of Makati City from 15-16 July 2013 and will be organised together with the Philippine Franchise Association. The workshop aims to identify constraints and chokepoints in expanding franchises overseas, best practices and action plan. The Philippine also took the opportunity to thank economies who already nominate and encouraged others to also participate in this symposium.

16. Japan commended Philippine indicating that the workshop would be linked to the supply chain initiative considering that franchise is a useful way to modernize supply chain. This workshop will be a good venue to share strategy in this market and to give opportunity of the SMEs to be more competitive and expand their business actively in the world market. In addition, Japan has volunteered to send representatives as speakers to share experience on companies' strategies on how SMEs can expand their businesses.

17. GOS Convenor reminded economies to extend the invitation to members franchise association to the workshop in the Philippines.

(iii) Transparency in Services Sectors

a. APEC Star Database

18. The GOS Convenor reminded the Meeting that she had previously requested economies to actively promote the Star Database, particularly to the business community. Further to that, APEC economies should also have a plan to promote the website within their economies. Further work on the database should continue and there was a need business sector input to improve on the project. GOS members were also urged to consider other services sectors that were yet to be captured in the database.

19. Australia recorded its appreciation to GOS Members for endorsing the Completion Report of the Phase Three Expansion of the Star Database, which had been circulated to members inter-sessionally. Australia provided an update on the completion of Phase Three and suggested a possible extension of the STAR Database to incorporate other services sectors through the submission of a proposal. The database had already been extended to cover all APEC economies for five of the eight sectors in in the database. However, due to the funding limitations, new sectors (education, ICT and distribution services) covered only 15 economies. The remaining six economies would be added during the next phase of the project. Australia reminded the meeting that the database gives a better understanding of how other economies regulate their services sector in their economies.

20. GOS members are also welcomed the opportunity to suggest new sectors for inclusion in the database. **Australia also highlighted that it had captured financial services and the changes in Peru's financial regulations.**

21. ABAC reiterated its high support for the STAR Database project, including the outcome of the Phase Three Expansion and the importance of effective dissemination to promote the database. Promotion to the business community could also be done more effectively if the database provided information of the how it worked, so it was easy to understand. The database could also be a tool for investment agencies and government institutions in providing information to foreign investors.

22. The GOS agreed on the importance of promoting the STAR database to the business sector. In order to do so, the GOS Convenor suggested Australia provide material for dissemination, completing and updating the brochure and PowerPoint presentation already available on the Star Database website. This would serve as a reference or tool to utilize the database. Australia also urged GOS members to reach out to the business community about the website.

23. ABAC also highlighted the need for the STAR Database to be made available in multiple languages, such as the Chinese language, considering the potential users of this database come from various economies. It was proposed that this initiative should be driven by individual economies as it would benefit the nationals in those specific economies.

b. Good practices in regulation of trade and investment in financial services

24. Australia presented to GOS the paper on good practices regulation in trade and investment in financial services based on the outcome of the workshop on financial services that was held in November 2012 in Singapore. Australia recorded its appreciation to all economies that had provided comments and reiterated that the paper was not intended as a means to negotiate a comprehensive FTA, but rather as a reference when coming up with new regulations and laws.

25. The meeting was informed that the workshop was mainly attended by regulators in the respective sector and academics. It successfully managed to capture the good practices and impediments faced by the financial sector within the different economies. The draft paper was intended for policy makers and regulators to help them improve the competitiveness of their financial sectors and to encourage unilateral liberalization by APEC economies.

26. China highlighted that its internal consultations on the first draft of the paper was still in progress, while the preliminary comment were already sent. China restated that the nature of the paper was non-binding, and that its content should not be ambitious, taking into account that there were 21 economies with different financial regimes. Therefore, the language should not be legalistic and the content needed to address the sensitivity of this sector in APEC economies.

27. Australia would revisit the paper and make necessary changes, including clarifying the chapeau language and redrafting the paper in a form of a workshop report, as it incorporated comments from GOS Members. This revised paper would be circulated to GOS members inter-sessionally for comments and endorsed prior to the CSOM meeting in October 2013.

(iv) Trade in Services Statistics

a. Trade in Services Statistics Action Plan

28. GOS Convenor reminded the Meeting of the Services Statistics Action Plan that was endorsed in Kazan, in 2013. GOS Convenor encouraged economies to continue working on the action plan and welcomed inputs on the action plan.

b. Workshop on the Measuring Services Trade – Statistical Capacity Building and Networking

29. The US updated the meeting on the outcome of the Workshop on Measuring Services Trade: Statistical Capacity Building and Networking held in Medan on 25 and 26 June 2013 which was aimed at building network between statistician and users. The workshop was attended by 58 participants from 18 APEC economies, which provided a good venue to build knowledge and capacity, as well as share experience among APEC economies. The workshop also presented international speakers, such as from the International Trade Centre in Geneva and a specialist on the Manual on Statistics of International Trade in Services (MSITS). During individual session, 9 economies were panel participants and spoke about current activities, challenges and future plans for collecting and improving the quality of trade in services statistics data, while the other economies participated in giving inputs and comments.

30. The workshop represented the first effort that had been made by APEC to deal with the very important issue of how statistics on international trade in services are collected, what is the current situation in APEC member economies, what are the gaps and needs, and the ways in which services trade data can affect policy decision-making. The workshop included a break-out session where participants focused on identification of the capacity building needs of APEC economies in this area.

31. There was a great interest and enthusiasm for networking and sharing of information between both the statisticians and the trade policy representatives. Participants learned that every economy had its own methodology and thresholds for developing surveys to collect data of services sector. All economies were searching for better ways to develop this data that was increasingly in demand by policy makers and trade negotiators.

32. There was a general consensus that this sharing of experiences was important and needed to be continued as economies could learn best practices from each other. From the discussions, it was clear that this workshop was building a foundation for future capacity development in this sector.

33. Several economies including Indonesia, China and Peru expressed their appreciation to the US for organising the workshop and noted the learning experience including the link between statisticians and end user of statistics. It is also highlighted the importance to have a coordination with other international organizations who are also hosting the work on trade in services statistics. PECC positively commented on APEC work to conduct this kind of discussion as it was captured what the statisticians do in one hand and what policy makers need in the other hand. Furthermore, there is a need for more efforts to link the users and statisticians for better understanding from both sides, especially on how the collection and compiling of statistical data are being done. GOS Convenor concurred that the proposed workshop would be a great platform to expand the capacity of GOS members.

34. In addition, the US, as Project Overseer requested for a reprogramming of the project proposal to have a 2nd phase of the Workshop, organised by UN for ASEAN on services statistical training later this year. This would be as an extension to the current project on statistics as the UN/ASEAN speakers were unable to take a part in the current workshop. Secretariat highlighted that this proposed extension to the project has to be endorsed by GOS, followed by CTI and then SOM due to the Non Member Participation aspect of which it is a joint activity by non-member with APEC. The US took note of Indonesia's comments on the need for the work programme to be aligned with and coordinated with ASEAN and UN.

35. This proposed UN/ASEAN/APEC program would focus on MSITS and collection of services trade statistics and will be implemented before the end of 2013 (possibly end of September) in Jakarta.

36. China highlighted the additional time required to consult capital on the request for reprogramming on the project. Secretariat will re-circulate the request and get confirmation by 1 July 2013, prior to the CTI meeting on 2 July 2013. The GOS endorsed the proposed re-programming exercise (in principle) and will be forwarded to CTI for their consideration.

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

37. GOS Convenor noted that the proposal undertaken on the basis of the statistics action plan, of which the workshop aims to improve understanding among members on FISIM work which complies with Balance of Payment Manual Sixth Edition as well as its practical aspects. Indonesia updated the status of the development of a programme for the workshop to take place in September/October this year. The detailed preparation of the workshop will be provided inter-sessionally to GOS members. In addition, Indonesia recorded its appreciation to co-sponsors on the support for the project.

(vi) Retailing Services : Potential for and Challenges to enhancing SME Participation in Supply Chains in APEC

38. The meeting was informed that the Workshop was held on 10 and 11 April 2013 in Surabaya and participated by 52 participants from APEC economies. This project including the circulation of survey to APEC economies, which was already responded by some economies. . The meeting was also informed that no additional/response comments received on the survey as at deadline of 30 May 2013.

39. Indonesia recorded its appreciation to member economies that have sent representatives and speakers to participate at the workshop. Indonesia also updated that it is in the preparation of final report to be submitted inter-sessionally before end of this year.

(vii) Information sharing on Logistics Services

40. China updated that the workshop on information sharing on logistics service would tentatively be organised after the week of the AELM, considering the tight schedule in between. The programme and agenda is currently being prepared and welcome member economies to submit names of potential speakers for the workshop.

(viii) Education Services : APEC Draft Work Plan on Promoting Cross-Border Education Cooperation

41. GOS Convenor reiterated that discussion on the draft work plan on promoting cross-Border education cooperation was based on the Leaders' statement in Vladivostok in 2012 and is in line with APEC priority on connectivity. The proposed Work Plan on Promoting Cross-Border Education Cooperation was endorsed at SOM1 Meeting in Jakarta and that the work plan be tasked to CTI, of which GOS has also be directed to take on board this initiative. GOS Convenor reiterated the need to seek guidance from CTI on the way forward for the work programme, nevertheless the GOS proceed with seeking inputs on the work programme inter-sessionally prior to the GOS3 Meeting. In addition, Meeting was informed that the CTI Chair has tasked the GOS Convenor to do a stocktake on on-going, completed and future projects pertaining to the promotion of the cross border education.

42. GOS was also informed by the US that there was a special session under the Human Resource Development Working Group (HRDWG) of which the US presented a proposal for 2020 APEC target for cross border students mobility with China and Australia refining the target.

43. Pertaining to the draft Work Plan, the GOS took note of several economies' submission of inputs on the draft work plan in support of the initiative to promote cross border education cooperation. Despite the similar work conducted by the HRDWG, the inputs provided under the GOS will be updated and consolidated at the CTI level. Furthermore, at the SOM level, it will integrate the inputs from the GOS and HRDWG.

44. Australia commented that, as way forward on this draft work program would be to include aspirational projects/plans in the future. GOS Convenor also highlighted that similar approach was undertaken when the Statistics on Services Action Plan was formulated earlier in Kazan, which was then followed by the specific actions/concept notes to implement the objectives of the Services Statistics Action Plan.

45. The US also commented that inputs were already provided and submitted to CTI and thus seek clarity on the exact version of the draft work plan used, as its comments were not reflected. GOS Convenor reiterated that the comments provided was on the work plan provided by Australia at SOM2 which is the one currently used by GOS. China and the Philippines requested for the latest work program, incorporating comments from the US to be re-circulated to GOS members and be commented latest by 1 July 2013 prior to CTI meeting.

46. Japan also suggested for the work plan to include regulatory reforms that seems to be a challenge faced in most developing economies pertaining to the education services, particularly in mode 4.

47. GOS principally endorsed the proposed inputs to be submitted to CTI Chair and for it to be considered as a preliminary input to ad hoc coordinating committee. GOS Convenor also suggested that Members could also include "aspirational concept note" ideas that can be brought up and included in the Work Plan.

Self-funded proposal: Symposium on Higher Education

48. The GOS Convenor briefly reiterated that this project is a self-funded proposal by Australia on Higher Education Services Symposium, aiming to enhance capacity of policy makers, to enable better understanding of regulations and to develop options on policy regulatory openness in this sector. The symposium would be a reference to economies intending to consider a regulatory reforms on the education sector.

49. Australia updated its preparation on the Symposium, scheduled for August 2013 in Malaysia of which the invitation has been extended to the member economies. GOS Members invited to

suggest expert on the focus discussion for the symposium. The symposium will be focusing in the area of regulations of the higher education. GOS Convenor encouraged GOS members to bring nominations on this symposium.

50. Malaysia also highlighted its support for the Symposium to be organised in Malaysia and look forward to work together with Australia on this. The US also indicated its willingness to be co-sponsor to the project.

Enhancing provider mobility in cross order education in the APEC region

51. The meeting was updated that the Concept Note on enhancing provider mobility in cross order education in the APEC region has been circulated inter-sessionally to GOS members few weeks prior to the GOS meeting. The Concept Note is in line with the Leaders Statement in 2012 in the enhancement and promotion of the cross border higher education services.

52. Australia presented its proposal that focuses on expanding APEC economies knowledge in enhancing provider mobility and provided brief information on the activities included in the project. The proposed project among others intends to look at the challenges faced in the cross border higher education services and this would be conducted via researches and surveys. Australia thanked economies such as Indonesia, Chile, Hong Kong, China and the United States for comments provided.

53. The meeting took note of Russia's comments, which sees the potential of the higher education services and indicated its support to the project. New Zealand also commented that this proposal would attract the interest of its Qualification agency and thus also gave its support to the project proposal. Several economies including China requested for additional time to provide comments inter-sessionally.

54. The US, Russia and New Zealand indicated its willingness to co-sponsor. Australia also invited GOS other members to co-sponsor the proposal. Members to provide comments to Australia inter-sessionally with a deadline to be provided later.

(ix) APEC Project on Supply Chain Enabling Services

55. The Concept Note on Supply Chain Enabling Services was discussed at the last GOS2 Meeting and has been submitted to the Secretariat for APEC funding for Session 2. This project consists of two main activities, i.e case study and workshop to be held on September 2013. Japan updated that this concept note is currently at the prioritization process within the CTI and thus awaiting results from this process.

V. Expanding Regulatory Cooperation and Advancing Regulatory Convergence

(i) Case Studies on Regulatory Reform Project

56. The meeting was informed that there has been on-going discussion on the regulatory reform and was indicated that at GOS1, US has offered for economies to volunteer on the regulatory reform project.

57. The US updated on the continuous effort on the project and that the telecommunication services is one of the sectors included in the case study. US also welcomed any additional sectors to be included in it. The US plans to submit the case study on telecommunication services to GOS members inter-sessionally.

VI. Other Issues

1. Presentation by Columbia – Trade in Services Columbia

58. Columbia recorded its appreciation to GOS members for inviting to do a presentation on Trade in Services Columbia. The presentation on the topic was made earlier than the GOS Workshop

on Trade in Services Statistic that took place on the 25 and 26 June 2013, prior to the GOS3 meeting in Medan.

59. The meeting took note of Columbia's Trade in Services presentation of which the services sector contributes to 61 per cent of Columbia's GDP and 66 per cent of employment. Regarding its effort to strengthen the policymaking, Colombia determined its strategy by having a strong engagement from the private sector. Hence, it will strengthen its policy through private/public partnership as well as the role of trade in services statistics in providing inputs for the formulation of policies.

60. In 2006, the National Planning Department (DNP), the Ministry of Commerce, Industry and Tourism (MCIT), the Central Bank (Banco de la República) and the National Administrative Department of Statistics (DANE) established an inter-administrative agreement to enable for collation and collection of statistics on international trade in services. It was highlighted that the research took it as framework of the Central Bank's balance of payments and as fundamental structure of the Manual on Statistics of International Trade in Services (MSITS 2002). The agreement's mission is to compile extensive information from only six of the eleven groups of services regarding to the Central Bank balance of payments. The main objective of the research is to obtain specific information about the international transactions in trade in services, in order to address the needs for comprehensive statistics to support negotiations and international agreements that the country is moving forward.

61. GOS Convenor thanked Columbia for the very informative presentation on Columbia's experience in the trade in services.

2. Election of GOS Convenor 2015-2015

62. GOS Convenor highlighted that the current term of the GOS Convenor is ending and thus the need for GOS to elect a new GOS Convenor for the term 2014/2015. As the usual practise of GOS, a new GOS Convenor would be elected at the last GOS meeting of the year. Secretariat informed GOS that the election may be done through either economies volunteering for the post or nominated by other economies.

63. GOS Convenor proposed that as China will be the next host year, it was suggested the possibility of China to take up the role of Convenor for 2014/2015. China took note of the suggestion, however indicated that it 2014 would be a busy year, nevertheless would consult capital. Several economies suggested that the Convenorship to be tied to the host. GOS Convenor reiterated that the term of Convenor is for 2 years and not one year.

64. Members to provide potential candidates for election of GOS Convenor, however, should there be no Convenor by GOS1, the current GOS Convenor is willing to chair the first GOS meeting. The election to be undertaken inter-sessionally.

3. APEC Business Advisory Council (ABAC)

i. ABAC Services Agenda

65. ABAC updated the GOS with the ABAC Services Agenda which includes:

- Longstanding ABAC concern to give higher priority to services liberalisation
- Lobbying APEC officials since late 2011
- Influential "Understanding Services" Report
- Successive Marshall School studies: 2013 is chokepoints to foreign investment
- Successful Services Workshops in Moscow, Kazan, and most recently in Surabaya
- Elaborate on important OECD-WTO work on Global Value chains

66. It was highlighted by ABAC that among findings of the study that the services accounts for the larger amount of the GDP and such information is not usually realized by the Government officials. Meeting took note of ABAC's concern on the need for more interaction among the regions on the importance of the services sector and the value added services especially along the supply chain services.

67. It was also highlighted that the Geneva's Plurilateral Services initiative, born out of the Doha deadlock, is an initiative which is currently had its first formal negotiations this June and is awaiting for the outcome of the negotiations.

68. ABAC also provided information on the current study made jointly by OECD and WTO on trade in value added i.e “**Interconnected economies: Benefiting from Global Value Chains**”. This study highlights the importance of global production change including the increasing role of services that can contribute to economic growth. It was highlighted that for an effective liberalization to take place on the global value chain this should take place that the multilateral trade negotiations to have a more holistic coverage.

Public-Private Policy Dialogue on Services

69. ABAC updated the discussion on services, included services workshop held in the margin of GOS 3 meeting 2012 in Kazan, the SOM ABAC/PECC public-private policy dialogue on Services and the Indonesia services held on 17 and 19 April 2013 in Surabaya. The dialogue focused on the among others - Bogor Goals, and the targets to be achieved on services liberalisation by 2020, challenges on SMEs, enhancing connectivity and reforms in the services sector.

70. The Dialogue has strong speakers such as Minister Gita Wirjawan; representatives from the WTO; Petersen Institute, PECC, Indonesian Employers' Federation. The Dialogue had a fruitful discussion and ABAC highlighted that the important aspect was injecting services liberalisation imperative to the heart of APEC discussion.

71. Among concern raised at the dialogue was also the fact that SMES and local businesses having to pay a higher price for uncompetitive services sectors. ABAC reiterated that through liberalization, SMEs would be more competitive and able to gain from the economies of scale.

72. ABAC shared its key messages of the workshop which include: liberalisation of services through multilateral agreement can achieve a high economic gains and the main regulations barriers that hinder trade in services. There is a need to harmonize regulations across the region for a more effective supply key and also to address the human skill to enable movement of natural persons through mutual recognition arrangement.

73. ABAC highlighted the need to continue improving the data statistics in the view to retain a high-level policy focus, particularly with the behind the border barriers. ABAC will continue strong advocacy for services trade and investment liberalisation in APEC:

- Elaborate on insights from WTO-OECD work on Global Value Chains
- New Marshall School project: barriers to Foreign Investment and the need for foreign investment liberalization
- Will continue to press for creation of a high-level APEC “Expert Group” on services liberalization
- Seek insights and guidance from GOS and CTI in development of ABAC agenda

74. GOS Convenor shared her view on the sectoral thought and the regulation in services sector which tend to accommodate more on business interest instead of consumer welfare. GOS Convenor also suggested ABAC to hold a business-to-business workshop or conference aims to increase understanding on services liberalization in order to support regulator in its work.

75. Several economies such as China and Peru highlighted that there is no necessity at the moment to create another group on expert services, under the ABAC action plan as this may change the dynamics of the current GOS under APEC.

76. Meeting took note of PECC's contribution and extreme involvement in the efforts of promoting the importance of services in the past couple of years and with its recent collaboration with ABAC on conducting the Public/Private Dialogue on Services with the objective to create awareness and deeper understanding among the business community. PECC highlighted that an efficient service is a win-win situation for both public and private sector.

77. Australia highlighted some recommendations based on the dialogues of which includes, set of good practice regulations, cross border higher education services initiatives to address the human capital issues and also considered the importance and the usefulness of the dialogues, suggested that a dialogue similar to this to take place in China next year. Considering the importance of global supply chain, meeting suggested that the MAG be invited and involved at the discussion.

78. GOS Convenor welcomed the idea of the Public Policy Dialogue on Service during China year, however, this should be considered by either CTI or SOM.

79. Meeting also took note that the some of the outcome of the dialogue would be part of the action plan for ABAC.

4. APEC Secretariat Update

80. The APEC Secretariat provided an update on the Concept Notes approved for Session 2. Secretariat also reminded interested economies to submit the concept notes for session 2 by 4 September 2013. APEC Secretariat also updated on the latest development-taking place within the Secretariat.

IX. Document Access

81. The meeting agreed to the Document Classification List (2013/SOM3/GOS/000).

X. Date and Place of Next Meeting

82. The meeting noted that GO3 2014 would be held in China, with the final date to be advised in due course.

XI. Closing Remarks

83. GOS Convenor thanked all member economies for participating at the GOS Meeting and reminded members of the documents/issues to be discussed inter-sessionally. In addition GOS Convenor welcome any possible topics for the next GOS Meeting, including possible nominations for GOS Convenor for term 2014/2015, considering that the term for the current GOS Convenor is ending.