Chair’s Summary Record of Committee on Trade and Investment Meeting in Beijing, China, 16-17 August 2014

Purpose: Information
Submitted by: CTI Chair
CHAIR’S SUMMARY RECORD OF DISCUSSION

1. The Third Meeting of the Committee on Trade and Investment (CTI) for 2014 was held in Beijing, China on 16-17 August 2014. Mr. John Larkin of Australia’s Department of Foreign Affairs and Trade chaired the meeting. All 21 APEC member economies, ABAC and PECC were represented. The APEC Secretariat was also present. (The list of participants is attached as Annex 1).

CHAIR’S OPENING REMARKS AND BUSINESS ARRANGEMENTS

2. The CTI Chair welcomed all delegates to the Committee’s third meeting for the year. He thanked China, on behalf of the Committee, for the excellent hosting arrangements and hospitality in the remarkable city of Beijing. He noted that the Committee had a very busy program and agenda ahead and encouraged members move as expeditiously as possible through the agenda.

3. He also outlined the business arrangements for the two-day meeting.

ADOPTION OF AGENDA

4. The Committee adopted the draft annotated agenda (see 2014/SOM3/CTI/001) with some minor adjustments to the order of the discussion.

MATTERS ARISING FROM RECORD OF THE LAST MEETING

5. The Committee approved the Chair’s Summary Record of Discussion of the CTI Meeting held on 10-11 May 2014 in Qingdao, China (see 2014/SOM3/CTI/002).

SUPPORT FOR THE MULTILATERAL TRADING SYSTEM

6. CTI took note of the concerns expressed by member economies about the status of implementation of the WTO Trade Facilitation Agreement (TFA) and the views expressed by some member economies about the progress of negotiations on the Information Technology Agreement (ITA) and environmental goods. CTI members also noted the importance of liaising closely with their representatives to the WTO in Geneva in the lead up to AMM/AELM meetings to develop appropriate messages for inclusion in the Ministerial and Leaders statements in November.

7. The MAG Convenor briefed meeting on the outcomes of the MAG meeting held on 14 August (see 2014/SOM3/CTI/053), highlighting the following key areas discussed:
   - Support for the Multilateral Trading System and Information Technology Agreement (ITA): Most MAG members reiterated the support for the swift conclusion of the ITA expansion negotiations in Geneva.
   - Advancing Regional Economic Integration: On re-manufacturing, MAG members noted that the draft of the case study on the Development of Remanufacturing Industry in Malaysia has been completed and was under review. The outcome of the study will be shared with the wider MAG membership as soon as the results of the study is finalized. MAG Convenor hoped to reinvigorate the work on
remanufacturing and encouraged members to join the Pathfinder on Facilitating Trade in Remanufacturing. MAG received presentations from the APEC Policy Support Unit (PSU) on Perceptions in the Use of Non-Tariff Measures in the APEC region; Australia on its proposal on Case Studies of Services Reform and the Impact on Global Value Chains (GVCs); and the United States (US) on its proposal to utilise the Environmental Goods and Services Information Exchange (EGSIE) as the platform for providing information related to the Public-Private Partnership for Environmental Goods and Services (PPEGS). MAG agreed to seek guidance and instructions from CTI on the way forward on NTMs in the group. It noted services reform and GVCs could be the topic for a possible joint MAG/GOS meeting in 2015. Some MAG members expressed concerns on the implementation of the EG list and suggested that the implementation issues/challenges and discussions could be shared with the MAG.

- **Strengthening Comprehensive Connectivity and Infrastructure:** MAG would continue to work on implementing the proposed actions under the Supply-Chain Connectivity Framework Action Plans (SCFAP) relating to the groups’ work in WebTR and encouraged members to update the information/links to the WebTR.

8. Malaysia thanked the US for funding case studies to ascertain members’ readiness to join the Pathfinder on Facilitating Trade in Remanufacturing and announced that it was ready to join the Pathfinder and would undertake the necessary actions to fulfil it.

9. The Committee thanked the MAG Convenor for his report and good work in coordinating and leading the work of the MAG. It endorsed the report and welcomed the deliverables outlined in it. On NTMs, the Chair noted that there was a lot of work within the CTI that would provide a platform for deeper discussions and actions (e.g. APEC Strategic Blueprint on GVC cooperation) and thence, an avenue for the MAG to contribute expertise and technical capabilities

### ADVANCING REGIONAL ECONOMIC INTEGRATION

#### Achieving the Bogor Goals

10. The PSU provided a brief update on the progress in finalizing the 2014 Bogor Goals Progress Report and dashboard. The revised versions of the report and dashboard incorporating comments received since SOM2 in Qingdao have been submitted to Senior Officials for their review at the upcoming SOM3 meeting.

11. New Zealand briefed the meeting on its paper, Bogor Goals Progress Report 2014 Discussion Document on Non-Tariff Measures (NTMs) (see 2014/SOM3/CTI/005). As a contribution to the discussions on NTMs, CTI also received a presentation from the PSU outlining some reasons for continuing discussions on NTMs in APEC as well as examples of possible future NTMs topics to study (see powerpoint slides at 2014/SOM3/CTI/003). CTI agreed that it needed to intensify discussions on addressing trade-restrictive NTMs and noted that discussions in 2015 on the process and timeline for the Second Term Review of the Bogor Goals (scheduled for 2016) would be a useful opportunity to consider the nature and scope of reporting on NTMs in IAPs, the need for enhanced transparency and the scope for more focussed discussion on specific types of NTMs. CTI also agreed that economies would provide comments on the paper to New Zealand by 12 September with a view to bringing forth further ideas or specific next steps for work on NTMs ahead of CTI1 in 2015.
12. The PSU briefed the CTI on the progress of its Study on Promoting Products which Contribute to Sustainable and Inclusive Growth through Rural Development and Poverty Alleviation (see powerpoint slides at 2014/SOM3/CTI/004). CTI thanked the PSU for the update and took note of its intention to circulate a paper for comment intersessionally on the proposed methodology for the study.

Exploring an FTAAP

13. China and the US, as co-leads of the Friends of the Chair (FoTC) on Strengthening REI and Advancing FTAAP updated the Committee on the progress of its work program. CTI discussed China’s papers on (i) Roadmap for APEC’s Contribution to the Realization of an FTAAP (see 2014/SOM3/CTI/008rev1); and (ii) Outline of the [Feasibility] Study on Realizing an FTAAP (See 2014/SOM3/CTI/009). While some economies supported the proposals, other economies expressed concerns, including in relation to the name and contents of proposed “feasibility study” and the specification of a date (2025) as an aspirational goal for realizing an FTAAP. CTI noted that consultations on the proposals were continuing with a view to building consensus.

14. CTI discussed and agreed on a proposal (see 2014/SOM3/CTI/006 rev1) by Australia, Chile, China, Hong Kong, China, New Zealand and Singapore, which identified the key tasks and activities, timelines and lead economies for operationalising the APEC Information Sharing Mechanism for FTAs/RTAs endorsed by SOM2 and welcomed by MRT in Qingdao last May. CTI also agreed to the terms of reference (TOR) for the PSU (see 2014/SOM3/CTI/007rev1) to undertake research and produce annual reports on trends and developments in FTA/RTA provisions and outcomes concluded by APEC economies. CTI also agreed to extend the deadline for economies to provide e-links to (i) relevant intra-APEC FTA or RTAs not already included in the existing APEC Comparative Toolkit database (http://fta.apec.org) and (ii) their Ministries or Departments of Foreign Affairs, Commerce or Trade, FTA webpages by 19 September.

15. CTI welcomed a progress report from Korea on the Regional Economic Integration (REI) capacity building needs initiative (CBNI), including the successful conclusion of the workshop on safeguards including transitional safeguards (Indonesia) held in Surabaya on 10-11 June 2014 and the seminar on assessing the 2012-2014 CBNI programs and mapping for the future (Korea) held in Seoul on 22-23 July as well as the upcoming workshops on non-conforming measures in services and investment (United States) to be held on 28-29 October in Singapore and intellectual property (Viet Nam) in the second half of 2014.

16. CTI discussed and agreed in-principle to the proposed Action Plan Framework for the 2nd REI CBNI (see 2014/SOM3/CTI/010) by Korea. It also agreed that economies would provide ideas and inputs for sectors/topics and nominations to lead the capacity building activities in relation to those sectors/topics by 12 September.

Global Value Chain Cooperation

17. China as lead of the FoTC on Global Value Chains (GVCs) cooperation briefed the Committee on the discussions in the FoTC to progress of APEC’s GVC work and the development of a work plan to guide FoTC’s work in 2014/2015 to implement the APEC Strategic Blueprint for Promoting GVC Development and Cooperation, endorsed by MRT in Qingdao. CTI agreed to the work plan (see 2014/SOM3/045 Anx 2) and noted the economies that have volunteered to lead or co-lead activities under six of the ten pillars identified in the Blueprint. CTI also agreed that economies
wishing to lead on any of the remaining pillars or to co-lead any pillars should inform China by 12 September.

18. CTI discussed and agreed to the Action Plan on Strategic Framework on Measurement of APEC Trade in Value Added (TiVA) under GVCs by China (see 2014/SOM3/045 Anx3). CTI also noted a proposal by the United States on Obtaining GVC Information through APEC (see 2014/SOM3/CTI/012) which will contribute to advancing the Action Plan.

19. CTI received an update from Korea on its proposal on Capacity-building for SMEs' Integration into GVCs in Major Industries and agreed to the terms of reference (TOR) for advancing the initiative (see 2014/SOM3/045 Anx4). CTI also agreed that economies should provide inputs on further sectors of interest, along with nominations to lead on those sectors, building on the sectors already identified in the TOR (e.g. IT/electronics, automotive and textiles) by 12 September.

20. CTI discussed a proposal on Addressing Barriers to Trade and Investment in the Context of GVCs: Localisation Barriers to Trade (see 2014/SOM3/CTI/015) by the United States and agreed economies would provide comments on the proposal, including on draft language for the AMM Statement set out in the proposal, by 12 September.

21. CTI received an update from Chinese Taipei on the Workshop on Advancing APEC REI in the GVC Era (see 2014/SOM3/CTI/013) to be held on 29 September and looks forward to the productive discussions there.

22. CTI received an update from Japan and the PSU on Phase 3 of the “Comprehensive Analysis on Enhanced Resiliency of Cross-Border Value Chains” study which focused on value chain connectedness in the region (see 2014/SOM3/CTI/014) and noted Japan's intention to proceed to Phase 4 of study which will involve the creation of a comprehensive model to evaluate the possible economic impact of Value Chain Resilience.

23. CTI took note of the offer from Mr James Zhan of UNCTAD to support and collaborate with APEC as it takes forward its GVC work. The Chair also thanked Mr Zhan for his presentation at the FoTC group, noting that the presentation had raised the awareness of members to the extensive resources that UNCTAD had at their disposal and the tools that may be available for APEC’s use.

Next Generation Trade and Investment Issues

24. CTI discussed and agreed to a proposal by Japan on Further Process for Implementing “Manufacturing Related Services in Supply Chains/Value Chains” (2014/SOM3/CTI/016rev2), which sets out next steps for implementing this next generation trade and investment issue endorsed in Qingdao, including tasking the PSU to undertake a study in support of this work. CTI agreed that economies should provide recommendations of possible interviewees from firms/sectors for the case study under the proposal by 15 September.

25. CTI took note of the report by Australia on outcomes of the TPD on Promoting Open and Competitive Services Markets to Support the Growth of GVCs (see 2014/SOM3/CTI/041) held on 14 August. CTI discussed Australia’s proposal on this topic tabled at CTI2 (see 2014/SOM2/CTI/019). CTI noted Australia’s intention to circulate a document intersessionally on services and GVCs for consideration as a possible next generation trade and Investment issue in 2015.
Environmental Goods and Services/Green Growth

26. CTI took note of the Table on Economies’ Progress on Environmental Goods (EG) List Implementation (see 2014/SOM3/CTI/018) and agreed that economies should provide any further updates on progress as well as contact points for inclusion in the table to the APEC Secretariat by 12 September. The table would then be updated and continue to be maintained on the CTI-ACS webpage as a “living document”.

27. CTI welcomed the report by China on the outcomes of the Seminar on the Implementation of the APEC EG list commitments held on 13 August. CTI discussed a number of next steps and agreed to establish a FoTC group on Implementation of the APEC EG list. The objective of the FoTC will be to advance transparency, common understanding and consistency in the application of the EG commitments in economies’ tariff schedules, including by addressing technical issues on product coverage. The first meeting of the FoTC will be in the margins of CTI1 in 2015.

28. CTI welcomed the outcomes of first Public-Private Partnership on EGS (PPEGs) dialogue on clean and renewable energy held on 11 August and agreed to the APEC Statement on Promoting Renewable and Clean Energy (RCE) Trade and Investment. (see 2014/SOM3/045 Anx5). CTI also discussed the terms of reference (TOR) for the APEC PPEGs and noted that consultations were ongoing with a view to finalising the TOR in the lead up to SOM3.

[Afternote: The TOR for the PPEGs was subsequently finalized and presented at SOM3 as Document Number 2014/SOM3/053 for endorsement together with the CTI Chair’s report to SOM.]

29. CTI received an update from Japan on its proposal (co-sponsored by Australia, China, New Zealand and the United States) on Trade Liberalisation and Facilitation of Environmental Services. CTI discussed and agreed to the proposal. (see 2014/SOM3/045 Anx6)

30. CTI discussed and agreed to a proposal from China (co-sponsored by Canada, Malaysia and Chinese Taipei) on Establishing an APEC Cooperation Network on Green Supply Chain (see 2014/SOM3/045 Anx7) which included an offer from the City of Tianjin, China to establish the first demonstration pilot centre of APEC Cooperation Network on Green Supply Chain.

Services

31. The GOS Convenor reported on the results of the GOS meeting held on 15 August (see 2014/SOM3/CTI/054rev1), highlighting amongst others, the progress in following elements of its work program for 2014:

- **Support the Multilateral Trading System**: GOS updated on the current status of the on-going operationalization of LDCs services waiver and informed that Uganda, on behalf of the LDCs have forwarded the collective request to the members of the WTO.

- **Advancing Regional Economic Integration**: GOS worked on promoting transparency in the services sector. It undertaking work to improve the accuracy of the STAR Database by requesting economies to inform if there is any major policy undertaken and the current status of RTAs/FTAs negotiation that engage APEC economies. In the area of education services, GOS worked on enhancing provider mobility in cross border education in the APEC region. In the area of
environmental services, GOS will work on the acceleration of regulatory reform and liberalization. A workshop on environmental services in the 21st century will be held in Kuala Lumpur, Malaysia at the end of the year. GOS also discussed a proposal on Trade Liberalization and Facilitation of Environmental Services submitted by Japan (first submitted at CTI1).

- **Strengthening Comprehensive Connectivity and Infrastructure:** GOS would be updating on its contributions to the draft Work Plan on Promoting Cross-Border Education Cooperation led by Australia. GOS would also be conducting two self-funded activities workshops. A self-funded symposium on transport and logistics was held in Hong Kong, China on the 15-16 July 2014. Its report was under consideration intersessionally with view to seeking to endorsement by 5 September. Preparations for a self-funded symposium on Telecommunications and ICT Services is underway for December 2014 in Manila, the Philippines.

- **Expanding Regulatory Cooperation and Advancing Regulatory Convergence:** GOS discussed proposals from Japan on furthering process for implementing “Manufacturing related services in GVCs/SC; and Australia on Case Studies of Services Reform and the Impact on Global Value Chain (GVC). GOS received presentation from the PSU on “Literature review of service-manufacturing linkages using case study approach” and update from the US that the final draft of the study on telecommunication regulatory reform, involving Thailand, Peru and Colombia, was currently with the respective economies.

- **Activities with ABAC, PECC and other stakeholders:** GOS received updates from ABAC and PECC on their action plan initiatives for 2014 and possible activity in 2015. GOS also received a presentation from the PSU on Services and Manufacturing: Patterns of Linkages and a presentation from the EC Chair on current work/initiatives undertaken under the Economic Committee (EC) and proposed for a possible collaboration between EC/GOS and PECC.

32. The Committee thanked Ms Sondang Anggraini of Indonesia for her comprehensive report and endorsed the Convenor Report. Noting that GOS2 Beijing was Ms Sondang’s last meeting as GOS Convenor, CTI expressed its appreciation for her leadership and hard work in coordinating and steering the work of the GOS. CTI also noted that Mr. Emmanuel F Esguerra of the Philippines has agreed to take up the Convenorship role for the term 2015/2016.

**Investment**

33. The IEG Co-Convenor (Chile) reported on the outcomes of the IEG meeting held on 14-15 August, highlighting amongst others, the following key elements of the IEG’s work program:

- Members discussed next steps for implementing the Investment Facilitation Action Plan (IFAP) including the review of principles and actions and agreed to further examine the issues intersessionally with reference to the original IFAP endorsed by Ministers in 2008.

- Brunei Darussalam, Canada, Mexico, New Zealand and Papua New Guinea submitted their reports on IFAP progress to complement *IFAP Implementation in Facilitating Investment for the Asia Pacific Region* published in 2013. The PSU will incorporate comments in a revised report for members’ consideration intersessionally.
IEG endorsed a proposal from Australia on *Enhancing the IEG Toolkit: Strengthening Quantitative Indicators for Improving Information Sharing on APEC Economy Investment Climate*. In that proposal the group took note of the endorsement by ABAC of the establishment of the Regional Investment Analytical Group (RIAG). The Australian proposal allows for the RIAG to present reports through ABAC to inform specific projects and initiatives to be undertaken by individual economies on a voluntary basis, to enhance IEG work with more analytical data.

IEG received update from Indonesia on the Guide Book on PPP Frameworks in APEC Region. Currently the Guide Book contains PPP frameworks of 11 APEC economies and it is going to be completed by all economies. It is treated as a living document, to be updated and completed periodically.

CTI thanked the Co-Convenors for their hard work and leadership in steering the group and endorsed the Convenor’s report (see 2014/SOM3/CTI/057).

CTI received an update from China on the progress of Case Studies on Sustainable Investment in APEC Region and agreed that economies should submit nominations of successful cases on sustainable investment by 26 September. CTI welcomed the outcomes of the 2014 IEG Public-Private Dialogue (PPD) on Promoting Infrastructure Investment through Public-Private Partnership on 13 August and agreed to the Action Agenda on Promoting Infrastructure Investment through Public-Private Partnership. (see 2014/SOM3/045 Anx8).

**Economic and technical cooperation**

CTI discussed the paper (see 2014/SOM3/CTI/024) by the APEC Secretariat on suggested next steps for taking forward the APEC Strategic Plan on Capacity Building to Promote Trade and Investment, endorsed by MRT in Qingdao. CTI agreed that economies should provide comments on the paper by 12 September. CTI noted China’s intention to hold a workshop to discuss best practices in trade and investment-related capacity building activities in early 2015 and to circulate a paper intersessionally (either end-2014 or early 2015) to take this forward.

**STRENGTHENING COMPREHENSIVE CONNECTIVITY AND INFRASTRUCTURE DEVELOPMENT**

CTI welcomed the updates by the United States, as coordinating economy for the diagnostic reports under the systematic approach for improving supply chain performance, on the draft diagnostic reports for chokepoint 4 (led by Japan), chokepoint 6 (led by Singapore) and chokepoint 7 (led by Australia) (see 2014/SOM3/CTI/028, 30 and 31). CTI also welcomed the update by Korea on its draft diagnostic report for chokepoint 5 (see 2014/SOM3/CTI/029). CTI was also briefed by China on its report on chokepoint 3. CTI agreed that reports for all chokepoints (1-8) would be consolidated and distributed by the APEC Secretariat to members together with the overview paper on the systematic approach prepared by the United States (see 2014/SOM3/CTI/027) for comments by 26 September, with a view to finalizing the reports for CSOM/AMM.

CTI received an update from the PSU on the progress of the Supply-Chain Connectivity Framework Action Plan (SCFAP) using external indicators (see 2014/SOM3/CTI/026). Overall the updated results for the external indicators for SCFAP indicate good progress in some areas. There is a very strong improvement in the quantitative indicators for time taken to complete trade transactions; as well as in
the documentation indicators – which point to reduction in the complexity of export and import transactions. For trade transaction cost figures, nominal indicators show an increase in costs over the years – a concern as with the particular goal to achieve the 10% reduction in costs by 2015. Nevertheless, using costs figures that have been adjusted for inflation, APEC figures show some progress.

39. CTI welcomed the outcomes of the inaugural meeting of APEC Alliance for Supply Chain Connectivity (A2C2) held on 15 August (see 2014/SOM3/CTI/061 for draft meeting summary) and the suggestions/ideas for possible projects for the Capacity Building Plan to improve supply chain performance. CTI agreed that economies should submit new project proposals for inclusion in the Capacity Building Plan by CSOM and noted the intention of the United States to circulate by 12 September draft written guidance on the process for economies to access the Supply-Chain Connectivity Sub-Fund. CTI also took note of the intention of the United States to circulate a written summary of the inaugural A2C2 meeting as well as the revised terms of reference for the A2C2 (a draft TOR can be found as 2014/SOM3/CTI/062) for endorsement intersessionally.

40. CTI welcomed the report by Hong Kong, China and New Zealand on the TPD on Global Data Standards (GDS) held on 14 August. CTI discussed the next steps for further work and agreed to pilot projects/pathfinder initiatives to be launched in 2015 on product traceability using GDS. Interested economies are invited to provide relevant inputs for the pathfinders by 12 September. CTI also agreed that economies should provide comments on the draft language for the AMM/AELM statements set out in the paper (see 2014/SOM3/CTI/042) by 12 September.

41. CTI welcomed the report by China on the outcomes of the Seminar on APEC Model E-Ports held on 12 August. CTI discussed and agreed to the terms of reference of Asia-Pacific Model E-Port Network (APMEN) (see 2014/SOM3/045 Anx9). CTI also agreed that economies should nominate ports to join the APMEN before CSOM. The network will be formally launched at AMM and AELM.

42. CTI welcomed the report by Japan on the outcomes of its capacity-building seminar on Quality of Infrastructure Development and Investment held on 4-7 August in Tokyo. CTI agreed that economies would provide comments on draft APEC Guidebook on Quality of Infrastructure Development and Investment (see 2014/SOM3/CTI/043) by 12 September.

43. The BMG Convenor briefed the Committee on progress in implementing the BMG’s work program for 2014 (see 2014/SOM3/CTI/044). She noted that the BMG had set strong objectives for 2014 and was pleased to report that overall progress was significant. During their meeting in Beijing on 12 August, the BMG discussed and agreed, amongst others, on the following key actions:

- continue to promote implementation and ongoing maintenance of the ABTC Scheme to the fullest extent possible;

- continue to oversee the APEC-funded project for an End-to-End Review of the ABTC Scheme, which will provide recommendations to the BMG for further opportunities to enhance the ABTC Scheme. Washington Core as the contracted consultant had presented some of its initial findings to BMG members and sought their feedback during the BMG Workshop meetings in Beijing, is expected to deliver the final project report to BMG members by 31 October;
• submission of a project concept note for the BMG’s proposal to enhance the ABTC System to better manage passport changes;

• continue to progress its surveying of economies on their pre-clearance policy and regulatory settings that underpin the ABTC, with a view to improving information available to ABTC holders;

• continue to progress its review of the Legal Infrastructure Standards. The Standards aim to assist in further developing economies’ legal immigration infrastructures, which are critical for economies to achieve effective and efficient border management practices and procedures. This work is expected to be completed intersessionally by 31 October;

• continue its support of innovative growth and human security by contributing to the APEC Consolidated Counter-Terrorism and Secure Trade Strategy, including through exploring the future strategic direction of Regional Movement Alert System (RMAS) which will provide a real-time travel document validation service between economies;

• in-principle agreement to extend the validity of the ABTC from three to five years, with an implementation goal of 31 August 2015; and

• request to CTI note that:
  - the BMG will develop a strategic plan in conjunction with the recommendations from the End-to-End review of the ABTC Scheme.
  - the capacity for the BMG to implement the three to five year validity change will be subject to its success in bidding for APEC Project funds to implement the passport change proposal, a key item being progressed in conjunction with the three to five year proposal.
  - no report was made by transitional members on any further progress beyond transitional membership.
  - BMG would welcome the opportunity to further comment on the Connectivity Blueprint to ensure consistency with the goals of the BMG.
  - a discussion occurred between economies about extending the ABTC scheme to the four ASEAN non-APEC members.

44. CTI thanked the BMG Convenor for her comprehensive report and commended the BMG for reaching agreement on extension of the validity of the card, noting that it was a significant deliverable that would be warmly welcomed by the business community and ABAC. The Chair took note of the comment on the need to contribute substantively to Connectivity Blueprint which was a subject of a SOM level discussion. The Chair also noted that whilst he could convey that message in his report to SOM, it was also incumbent on economies to bring the matter to the attention of the Senior Officials.

45. SCCP Convenor updated the Committee on the progress made by the SCCP in implementing its 2014 work program. (see 2014/SOM3/CTI/060). She reported on the outcomes of the SCCP meeting and its related activities which took place on 10-15 August and highlighted the key elements of the SCCP’s work in 2014. The Convenor drew CTI’s attention to the following:

• The annual APEC Customs Business Dialogue (ACBD) was held on 12 Aug. The dialogue, attended by about 150 participants, most from the customs community and business in the region, had three panel discussions on issues of
cross-border e-commerce, single window and AEO. The dialogue heard views on how to facilitate work in these areas and reached consensus to work hand-in-hand to bring closer cooperation to facilitate trade in the region and also enhance connectivity in the region. The Virtual Working Group (VWG) for ACBD held a physical meeting on 11 August and discussed the priority and future direction of the group.

- A workshop on Chokepoint 8 led by Chile, sponsored by China took place on 10-11 Aug. The workshop addressed the preferential treatment on customs transit and developed as an outcome, a guideline for customs procedures in transit. SCCP discussed the guideline during its meeting and decided to continue its discussions with a view to finalizing the document intersessionally.

- At its meeting in Beijing, the SCCP agreed to request CTI to approve the APEC Customs 3M (Mutual recognition of control result, Mutual assistance in enforcement and Mutual sharing of information) Strategic Framework (see endorsed at MRT in Qingdao) to be included as an Annex to 2014 AMM Statement. (see 2014/SOM3/CTI/037 and 2014/SOM3/CTI/052) SCCP also agreed to add (i) preparation for the implementation of WTO Trade Facilitation Agreement as a new standing agenda item and (ii) Customs control over cross border e-commerce as a new Collective Action Plan (CAP) item.

- SCCP also continues contribute to the implementation of the Supply-Chain Connectivity Framework and Action Plan through its activities on single window (chokepoint 4) and advance ruling (chokepoint 5) in addition to customs transit (chokepoint 8).

46. CTI thanked the SCCP Convenor for her comprehensive report and commended the SCCP for its work and contributions to the CTI work program. In particular, CTI welcomed the SCCP’s close business engagement through the ACBD. It endorsed the Convenor’s Summary Report with a proposed adjustment to its second decision point that “CTI recommends to Senior Officials to reflect the outcomes of the 3M Strategic Framework as an annex to the AMM Statement.

EXPANDING REGULATORY COOPERATION AND ADVANCING REGULATORY CONVERGENCE

47. The United States updated CTI on (i) Draft APEC Actions to Promote Widespread Usage of Electric Vehicles (formerly tabled as Draft Recommendations for Adopting the International Electric Vehicles Standards Roadmap at CTI2) (see 2014/SOM3/CTI/033) and (ii) Draft Reference Guide for Electric Vehicles (formerly tabled as Electric Vehicles in APEC - Regulatory Standards Reference Guide at CTI2) (see 2014/SOM3/CTI/034) and agreed to provide comments to the United States by 26 September.

48. CTI welcomed the report by China on the outcomes of the APEC Advertising Standards Forum and Mentoring Workshop held on 8-9 August. CTI discussed and agreed to the APEC Action Agenda on Advertising Standards and Practice Development (see 2014/SOM3/045 Anx10).

49. The Chair drew members’ attention to the letter from the International Chamber of Commerce (ICC) (see 2014/SOM3/CTI/038) expressing its support for the APEC Action Agenda on Advertising Standards and Practice Development and commending the Committee on progress already made improving understanding and cooperation on advertising standards across APEC economies since the 2012 Hanoi Dialogue.
The ICC also offered to contribute business expertise to assist in the advancement of the next stage of action agenda.

50. A representative from SCSC Chair’s Office updated the CTI on the progress in the implementation of SCSC’s work program for 2014 (see 2014/SOM3/CTI/045). He highlighted amongst others, the following elements of the work program:

- Completed a survey of 6th Voluntary Action Plan (VAP)
- 10th Conference on Standards and Conformance on Green Technologies (concurrent workshops on building information modelling and ICT products in August)
- Outcome of the 19th Joint Regulatory Advisory Committee (JRAC) on Electrical and Electronic Equipment meeting. The meeting, held on 10 August, agreed to use APEC format on the matrix information exchange in the future. Member economies were encouraged to share their information on products that require Energy Efficiency and Electromagnetic Compatibility (EMC) compliance to be included in the matrix of information exchange, especially the regulated products.
- Successful completion of several capacity building workshops: Multilateral Recognition Arrangement (MLA) Readiness Project in Person Certification (April and June); Workshop on Enhancing Standards, Conformity Assessment, Technical Regulations and Promoting Regulatory Cooperation in Food Allergen Management (May); Multi-year projects on (i) The Role of Standards and Conformity Assessment Measures in Enhancing the Performance and Energy Efficiency of the Commercial Building Sector (two workshops in 2014), (ii) Building Convergence in Food Safety Standards and Regulatory Systems (two workshops in May and September) and (iii) Wine Regulatory Forum: Good Regulatory Practices Action Plan (WRF meeting in September);
- Agreement to enhanced collaboration between APEC Food Safety Cooperation Forum (FSCF) and APEC Policy Partnership on Food Security (PPFS), where the FSCF will forward the outcomes and deliverables of the coming food safety events in September to be shared with PPFS in the margins of the Ministerial Meeting on Food Security.
- Agreement to review its Terms of Reference in 2015 as the TOR requires such review every three years (the last review done in 2012).

51. CTI endorsed the SCSC Convenor’s Summary Report. The Chair commended the SCSC for the comprehensive report on a vibrant agenda with a strong focus on aligning domestic standards with international standards.

52. CTI took note of a proposal from the United States on APEC Wine Regulatory Forum Export Certification 2018 Goal (see 2014/SOM3/CTI/045), which it submitted in the SCSC for information and will submit in the Wine Regulatory Forum for consideration.

PROMOTING INNOVATIVE DEVELOPMENT, ECONOMIC REFORM AND GROWTH; CONTRIBUTIONS TO OTHER CROSS-CUTTING INITIATIVES

53. There was no discussion on the implementation of the 2011 initiatives to address top barriers facing SMEs in trading in the region. The Philippines informed the CTI that it has put forth a couple of proposals in the SMEWG, including the Workshop to Facilitate SME Trade through Better Understanding of Non-Tariff Barriers in the Asia-Pacific Region which also noted in the MAG Convenor Report. The Philippines also
mentioned that it was looking at some possible work to revisit the barriers facing SMEs that were identified in 2011 with a view to possibly updating the list in light of discussions in other CTI workstreams (e.g. under next generation trade and investment issues; GVCs). CTI noted the Philippines’ intention to consult economies on this in due course.

54. Mexico on behalf of the IPEG Convenor highlighted for CTI’s attention, the following key issues related to IPEG’s work in 2014:

- Strategic IP Utilization for Sustainable Development
- Promoting Effective Utilization of Intellectual Property Rights
- Harnessing technologies to improve investment environment such as the Creation and Dissemination of Creative Content in the Digital Environment
- Work to enhance trade secrets protection and enforcement
- Innovation in SMEs
- Participation in International-related IP systems
- Cooperation on Patent Acquisition Procedures
- Raising public awareness; and
- Capacity Building

To move forward the above topics, IPEG conducted two workshops, viz: (i) Workshop on Appropriate Technology, Strategic IP Utilization for sustainable development held on 2-3 July in Seoul, Korea and (ii) Workshop to Enhance Trade Secrets Protection and Enforcement held on 9 August in Beijing, China. IPEG also agreed to 4 projects during the year: 2 new proposals on “Initiative to facilitate the exploitation of IP Rights and innovation in SMEs” by Korea and Mexico and “IPEG work to enhance Trade secrets protection and enforcement” by the United States; and 2 revised project proposals on “Promoting Effective Utilization of Intellectual Property Rights through the concept of open innovation” by Russia and “Bridging IP Divide and facilitating information and communication technology by developing a mobile application for Intellectual property Awareness” by Korea. In addition IPEG also agreed to work intersessionally on the proposal by the IPEG Convenor to revise the IPEG’s TOR (from 1997) to strengthen the efficiency and effectiveness of the group.

55. The United States took the opportunity to briefly report on the outcomes of the Workshop to Enhance Trade Secrets Protection and Enforcement held on 9 August and draw the CTI’s attention to its follow-up initiative in the IPEG for IPEG members to (a) recognize that the effective protection and enforcement of trade secrets incentivizes and facilitates innovation and foreign direct investment and the dissemination of technology through licensing and partnerships, and (b) to initiate work in 2015 to identify best practices among APEC economies in trade secrets protection and enforcement. IPEG had agreed to continue discussing the initiative intersessionally as 3 amongst the participating economies indicated that they needed to engage in further consultations.

56. CTI endorsed the report (see 2014/SOM3/CTI/046) and thanked the IPEG Convenor for leading the group’s work. With regards to the proposal to initiate work in 2015 on “trade secrets”, the IPEG Convenor was requested (through Mexico) to reach out to the 3 economies with a view to finalizing the proposal as a deliverable for CSOM in November.

57. The Philippines reported on behalf of the ECSG Convenor on the results of the ECSG and ECSG- related activities held prior to the CTI3 meeting in Beijing. CTI endorsed
the report (see 2014/SOM3/CTI/058), noting in particular, following outcomes:

- ECSG Seminar on “10 Years On: Building on the APEC Privacy Framework to Address Today’s New e-Commerce Challenges” held on 10 August.

- The intention of the ECSG to develop an updated work plan for 2015-2017 which takes into account the following key elements: (i) consideration of emerging issues that impact regulatory and policy frameworks that can facilitate data driven innovation and the adoption of emerging technologies and related business models that drive growth, employment and societal benefit (at ECSG-level); (ii) Continued evolution of a unified approach to data protection, trust and confidence that addresses ethics and risks, including emerging technologies and business models in a way that also allows the benefits of innovation to accrue to individuals and society (at the Data-Privacy Sub-group); and (iii) the role of technology and related policy that facilitates trade and enables efficient supply chains and connectivity, including at the border, across the border and behind the border (at the Paperless Trading sub-group). In preparing the work plan, the ECSG decided to form a virtual FoTC group to develop the work plan to be submitted to CTI at SOM I 2015 for consideration and endorsement.

- ECSG endorsed the “APEC Cross-border e-Commerce Innovation and Development Initiative” proposed by China.

58. CTI thanked the PSU for its informative presentation on “Supply Chain Financing Derivative Cross-Cutting Issues for APEC” (see 2014/SOM3/CTI/055) which provided some ideas for possible future APEC work.

59. Mr Rory McLeod, the Chair of the Economic Committee (EC) presented an overview of the EC’s work for 2014. He drew the CTI’s attention to several areas including the following:

- Suite of activities that led up to EC2, viz: (i) Workshop on Ease of Doing Business through Hague Conventions, where economies shared their experiences of using e-Apostilles and e-Registers to facilitate cross-border transactions; (ii) Workshop on International Regulatory Cooperation where economies shared experiences and lessons learnt in implementing regulatory cooperation arrangements and discussed a draft toolkit on international regulatory cooperation; (iii) Workshop on Good Regulatory Practices: Public Consultations in the Internet Era which looked at the use of web-portals to receive comments from stakeholders and notify upcoming regulatory changes can improve the quality of domestic regulatory processes; and (iv) Workshop on Ease of Doing Business Stocktake where economies discussed experiences and challenges in implementing EoDB reforms, evaluated the progress of EoDB initiatives and reviewed questionnaire results to assist in determining the future direction of EoDB.

- 2014 APEC Economic Policy Report (AEPR). This year’s AEPR is on good regulatory practice. Its draft chapters, coordinated by Japan, the US and China have been circulated and are being considered by EC members. The EC will consider and choose from a menu of topics which includes: structural reform and innovation; occupational regulation; transparency in rulemaking and regulatory frameworks for PPPs the issues to be covered in its 2015 AEPR.
• Middle Income Trap (MIT). The EC has been working since SOM2 following the MIT Policy Dialogue to come up with ideas on how to take MIT forward. At EC2, the Committee will discuss a paper by US on the topic.

• APEC New Strategy for Structural Reform (ANSSR). The EC is looking to facilitate completion of current program and to consider what next steps might be. This may include the development of a post-2015 ANSSR agenda and the possibility of a Structural Reform Ministerial Meeting in 2015 to set the future direction for ANSSR.

• Activities for EC1 in 2015. These will include a meeting of the Competition Policy and Law Group; an ANSSR workshop (if approved); a policy discussion on Improving the Quality of the Public Service; a policy dialogue on Economic Trends in the APEC region; and a potential joint meeting between EC and GOS.

60. The Chair thanked the EC Chair for his briefing. He observed from the briefing that there were many synergies between the work of the EC and the work of the CTI and encouraged CTI colleagues to take close interest in the EC work and see how economies can contribute to those workstreams as well as take them forward in the CTI. He also commended EC for its initiative to collaborate and reach out to the GOS.

61. Ms Song Wenyan, Alternate Chair of the APEC Policy Partnership on Women and the Economy (PPWE) briefed the Committee on the PPWE’s work and outcomes. (see 2014/SOM3/CTI/065). The Chair thanked Ms Song for her report and encouraged economies to look at mainstreaming gender into their CTI-related work and to consider gender-based initiatives as part of our trade and investment work program.

INDUSTRY DIALOGUES

62. CTI received a presentation from the Chair of the LSIF’s Regulatory Harmonisation Steering Committee (RHSC), Mr Mike Ward on the RHSC’s priorities and deliverables for 2014 which included: Workshops on Biotherapeutics, Cell and Tissue Therapies; Multiregional Clinical Trials (MRCT)-GCP Inspection and Supply Chain; Successful pilot of MRCT Center of Excellence (COE) in March 2014 in cooperation with Duke-NUS and AHC; Endorsement and handover of draft Good Review Practices guideline to WHO; Conduct pilot with ABAC on track and trace to demonstrate value of global standards – part of Supply Chain roadmap; Launch of public APEC LSIF Satellite webpage for RHSC and separate platform to facilitate work in progress; Develop strategy on promoting targeted engagement of academia; and Establish and implement a model for sustained, coordinated actions through network of COEs.

63. The LSIF Planning Group Chair briefed the meeting on developments in the LSIF, noting that the LSIF met with the Health Working Group (HWG) on 13th August and in a special session on 14th. The LSIF also co-hosted with HWG the 4th High-Level Meeting (HLM) on Health and Economy on 15th August which resulted in a statement found in 2014/SOM3/CTI/059. This meeting, the LSIF and HWG participants also endorsed the Healthy Asia Pacific 2020 initiative. The LSIF Planning Group Chair also drew the Committee’s attention to the following outcomes:

• Progress made on the establishment of the regulatory sciences Center of Excellence and the upcoming establishment in December of the Bio-Medical Commercialization Training (led by Korea and Thailand in cooperation with the Association of University Technology Managers);
- Endorsement of efforts to promote public awareness and research on illegal internet pharmacies;
- Worked in cooperation with the Health Working Group (HWG) on non-communicable disease and mental health;
- Endorsement of the publication of the LSIF-ABAC Study on Workforce Productivity. Progress work to address healthcare-associated infections and antimicrobial resistance;
- Agreement to explore work in 2015 on identifying impediments in the medical products supply chain.
- Establishment of a third steering committee on health innovation policy. Comments on the draft Terms of Reference of the group by 15 September.
- Intention to submit revised LSIF TORs and Health and Innovation Committee TORs will to CTI for approval at SOM1, 2015.
- Work going forward on identifying impediments in global value chains; the integrity of the medical products supply chain; cross-fora collaboration and public private partnerships to address health challenges impeding women’s access to the economy; work on anti-microbial resistance, and, the economic and social burden of mental disorders.

64. CTI thanked the LSIF Planning Group Chair and the RHSC Chair for their comprehensive report and presentation and endorsed the report tabled as 2014/SOM3/CTI/051.

65. The Chemical Dialogue Steering Group (CDSG) Chair briefed the CTI on the outcomes of the 13th CD held on 12 August in Beijing as part of a four-day suite of very well attended and active related meetings, including the annual Chemical Dialogue Regulators Forum that was held jointly with the OECD Clearinghouse on New Chemicals; and a workshop on advancing regulatory cooperation in chemicals. The CD agreed on the following:

- that Australian industry should conduct a scoping exercise to examine the impact of the region’s free trade agreements (“FTAs”) and regional trade agreements (“RTAs”) on trade and investment in chemicals reporting back to CD meeting in the margins of SOM1, 2015.
- a glossary of terms as a reference tool;
- in-principle, to the reconstitution of its Virtual Working Group on GHS implementation;
- to continue working intersessionally on a Virtual Working Group on Sustainable Material Management and Innovative Solutions to Marine Debris, in collaboration with the Oceans and Fisheries Working Group; so that this work will be recognised by the Ocean-related Ministerial Meeting in Xiamen on 28 August; and
- revised TOR for submission intersessionally later in the year.
66. The CDSG sought CTI’s approval in the following areas:

- revised Chemical Dialogue Strategic Framework 2014-2016, noting that its Action Plan will be updated intersessionally to reflect the outcomes of CD13; (see 2014/SOM3/CTI/049)

- revised Regulator’s Forum Action Plan 2014-2015 which is an integral element of the Strategic Framework (see 2014/SOM3/CTI/048); and

- moving forward the CD’s initiation of a Virtual Working Group on Sustainable Material Management and Innovative Solutions to Marine Debris in collaboration with the Oceans and Fisheries Working Group.

CTI was also requested to take note of CD’s successful workshop on Advancing Regulatory Cooperation in Chemicals and its intention to develop proposals for additional capacity building on regulatory cooperation, including Good Regulatory Practices intersessionally to be submitted for consideration at SOM1, 2015.

67. CTI endorsed the CD’s Convenor Summary Report (2014/SOM3/CTI/047) and commended the CDSG Chair and his team for their hard work and dedication in steering the work in the CD towards an impressive range of achievements as outlined in the report.

68. A representative from the Automotive Dialogue (AD) Chair’s office, on behalf of the AD Chair, updated the CTI on the developments in the AD. He recalled that the theme of the AD for 2014 is “Green Ambition, Win-win cooperation” and noted that the outcomes of the 20th AD were reported to CTI2 in Qingdao, where the proposal by automotive industry on Asia-Pacific Region Automotive Industry Sustainable Development Declaration was presented to MRT through SOM and CTI for endorsement. The AD representative further informed the CTI that preparations for 21st AD to be held in Shanghai on 17-19 September were underway. He outlined briefly the program for the Dialogue which includes the organization of the 2nd AD workshop entitled “International Experience of New Energy Vehicle Promotion and Application” on 18 September and a visit to Anting Shanghai international Automobile City. CTI members were also informed of the intention of the AD to discuss its TOR at the upcoming meeting. CTI thanked the AD representative for his update and looked forward to the Dialogue’s report on its outcomes from Shanghai.

PRIVATE SECTOR ENGAGEMENT

69. There was no discussion under this item.

OTHER ISSUES

APEC Economic Trends Analysis Report

70. The CTI’s attention was drawn to the powerpoint slides on Emerging Economic Trends, tabled as 2014/SOM3/CTI/036.

Budgetary/Administrative Matters

71. The APEC Secretariat drew the Committee’s attention to the prioritization and categorization of concept notes information circulated to CTI members on 8 August for the BMC Session 2 project approval process. A copy of the prioritisation and categorisation template was tabled (see 2014/SOM3/CTI/064) to serve as a gentle
reminder for members to complete and return the templates to the APEC Secretariat by 29 August.

Outreach

72. There was no discussion under this item.

OTHER BUSINESS AND FUTURE MEETINGS

Election of Officers

73. CTI Chair noted that the issue on arrangements for the CTI Chair after 2014 was raised at the heads of delegation meeting on 15 August. He reported that he has not heard any further views or expressions of interest since then and as such, would like to thank colleagues for their very kind words and support when they were offered, his suggestion to extend his term for one more year (to end 2015). There were no objections to the suggestion. CTI therefore agreed that the Chair would report the outcome to SOM.

MEETING DOCUMENTS

74. The Committee considered the public release of documents tabled at the meeting and agreed by consensus that with the exception of draft documents and preliminary work plans, all documents would be accessible to the public. The list of documents was tabled as 2014/SOM3/CTI/000.

SUMMARY AND CONCLUSION

75. The Chair informed CTI members that he would lie to raise three issues before he concludes the meeting. Firstly, he noted that despite CTI3 being the last official meeting for the Committee in 2014, there were still had some outstanding deliverables to be resolved ahead of SOM3 and CSOM. He emphasised the importance for colleagues to stay in touch through telephone and emails. As in the past, the APEC Secretariat will circulate the intersessional tasking list with the deadlines and follow-up work to be completed after the meeting. The Chair urged colleagues to work productively and expeditiously to meet those deadlines & finalise those deliverables ahead of SOM3/CSOM.

76. Secondly, the Chair drew members’ attention to the preparation of an annual report from the CTI that would be ultimately tabled in the AMM. He noted that the report is a lengthy document covering the achievements and deliverables of the CTI and its sub-fora as well as a range of other documents including the Committee’s responses to ABAC recommendations. He requested CTI members to look out for the draft report, which was likely to be circulated approximately a fortnight or so before CSOM and would welcome their inputs and comments on the report.

77. Thirdly, the Chair took the opportunity to express his appreciation to Ms Catherine Wong who was leaving the APEC Secretariat shortly after the end of year. He thanked her for her hard work and contributions to the CTI over the years.

78. The CTI Chair concluded the meeting by thanking CTI members for their hard work and commitment over the last 2 days. He noted that the CTI had a very long agenda and appreciated the great patience and stamina shown by colleagues to get through it. He reiterated his thanks to all members for the great efforts and cooperation at CTI3 and also reiterated his appreciation to China for the excellent hosting arrangements.