

Summary Report
48th Market Access Group (MAG) Meeting
01 February 2015, Clark, Philippines

The 48th Market Access Group (MAG) Meeting took place at Clark, Philippines

A. CONVENOR'S OPENING REMARKS

1. MAG Convenor welcomed economies to the 48th MAG Meeting in Clark, the Philippines. MAG Convenor also recorded his appreciation to the Philippines for the exceptional hosting of the event.

B. ADOPTION OF THE FINAL ANNOTATED AGENDA

2. MAG adopted the agenda of the Meeting.

C. ADOPTION OF 47th MAG SUMMARY REPORT

3. MAG adopted the Summary Report of the 47th MAG Meeting (2015/SOM1/MAG/002) held in Beijing, P.R. China amendments on: Para 6 "the word "soiled" to be amended to "solid".

D. 2014 LEADERS' AND MINISTERS' STATEMENT

4. The MAG was briefed by Undersecretary Mr. Ferdinand B. Cui Jr. on the APEC 2015 priorities.

E. CITI PRIORITIES FOR 2015

5. CTI Chair, Mr John Larkin briefed the MAG on the priorities for 2015 and welcomed inputs/ideas from the MAG on achieving the objectives set under the priorities.

F. CONVENOR'S REPORT ON ON-GOING TASKS

6. The Convenor noted that a number of the tasks in the Matrix of Action Points arising from the previous meeting would be discussed over the course of the meeting under the various Agenda.
7. The US indicated that the update on the 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) will be discussed at the next MAG2 Meeting in Cebu.
8. Russia stated that they will update the MAG on the draft proposal on the state of play with environmental protection issues in APEC RTAs and proposal for a model chapter under FTA and continued discussion at the next MAG2 Meeting.

G. SUPPORT FOR MULTILATERAL TRADING SYSTEM

9. MAG Convenor updated the meeting on the current status of the ITA expansion negotiations in Geneva MAG took note of members' comments including, Japan, Malaysia, P.R. China and the US on the support and expectation for the conclusion of the ITA expansion. Japan also reiterated that the business communities in Japan are anxious on the conclusion of the ITA expansion negotiations. Several members also reiterated their support for advancing the DDA, including implementation of the 2013 Bali Package.
10. The Philippines also stated support for the implementation of the Trade Facilitation Agreement (TFA) and mentioned that the Chair of the Trade Facilitation Committee, Ambassador Esteban

Conejos, will convene a session with the WTO Geneva APEC Caucus in February 2015 to discuss the way forward in implementing the TFA, as well as possible standalone statement in MRT 2015.

11. MAG Convenor emphasized the need for APEC economies to support the implementation of the TFA and hope for the conclusion of the ITA expansion negotiations swiftly, as ITA is an important element to APEC.

H. SUPPORT FOR REGIONAL ECONOMIC INTEGRATION

i. Remanufactured (Reman) Products

a. Pathfinder on Facilitating Trade in Remanufactured Goods

12. The US shared the outcome of the case study on the “Development of Remanufacturing Industry in Malaysia”, which was funded by the US, and thanked Malaysia for joining the reman pathfinder in 2014. The study highlighted the challenges faced by Malaysia in fostering its reman industry and provided policy recommendations. The US indicated that the study was commissioned to an independent consultant in the United Kingdom that has expertise in the field. The US noted the views of the study are those of the author and does not necessarily reflect official US policy in all aspects. The US encouraged economies to examine the study and explore the possibility of joining the reman pathfinder.
 13. It was highlighted that the study on Malaysian reman focused on 4 areas, i.e. printer cartridges, vehicle components, information technology and aerospace. The US also highlighted potential areas in which reman can be explored, as well as the challenges and barriers faced in remanufacturing, which also includes certain policy measures.
 14. Malaysia recorded its appreciation to the US on the study and stated that it was a useful study on the reman industry in Malaysia, especially for Malaysia’s decision to join the Pathfinder in 2014.
 15. MAG Convenor encouraged members to explore ways and means to better understand the benefits of reman in their economies, such as by possibly exploring a similar case study. Participation in such a case study would give economies a better understanding of issues related to reman within their respective economies. The US indicated that it is willing to work with economies on exploring various options to assist them in joining the pathfinder.
 16. In addition, the US also shared information with MAG that the American National Standards Institute (ANSI) has recently begun work on a process standard for reman and a technical working group has been created to look into this area. MAG member stakeholders are welcome to look into participating in the standards development process by ANSI, and the US encouraged economies to reach out to their industry to create awareness of the current initiative by ANSI.
- ##### **b. Proposal on Public-Private Dialogue on Remanufacturing**
17. As a way forward on Reman, ABAC presented its proposal to MAG for a Public-Private Dialogue on Remanufacturing to be held in the margins of SOM3 (MAG2) with a proposed theme “New ways to facilitate trade in remanufactured goods”. The proposed capacity-building discussion is to identify and encourage the resolution of issues that have thus far prevented some economies from participating in the Pathfinder, as well as to identify next steps for APEC
 18. The MAG endorsed ABAC’s proposal to host the Dialogue Session at MAG2. Some economies have queries about APEC traveling fund for experts to join the dialogue. MAG members are also invited to provide input on potential content and participants to ABAC by **28 February 2015**.

c. NTMs on Remanufacturing

19. MAG Convenor updated the meeting that there were 1547 'hits' from January 2014 to December 2014 and reiterated that the views may be of those familiar with the webpage and the need for more efforts to promote the website. MAG members are also invited to provide any updates on the link to the NTMs Reman webpage.

ii. WebTR (Enhancing Regional Connectivity and Promoting Trade Facilitation)

20. Meeting took note that there were 2836 hits on the WebTR for 2014 as compared to 4,076 in 2013. Members are encouraged to promote the use of WebTR as well as to update the information related to tariff and ROO.

iii. Proposal on APEC Trade Repository (APEC TR)

21. The Philippines presented its proposal for an APEC Trade Repository which will serve as a single online reference point on APEC member economies' tariff and trade regimes to the MAG.

22. Several economies cited their general support for the idea, however, some requested clarification on issues such as duplication, e.g. notification to the WTO, overall coordination and as well as the role of WebTR. ABAC highlighted the need for the URL to be more attractive in order to get viewers' attention.

23. The Philippines also shared the views of other fora on the APEC TR proposal and highlighted that some of the issues raised at the MAG was also highlighted at the other Fora, including the overlapping of database such as the one available at the WCO website. As for the way forward on the WebTr should the APECTR be implemented, the MAG is to decide on the issue. MAG was also informed that since the implementation of the APEC TR will cut cross several fora, CTI will oversee the overall implementation of the initiative.

24. Considering the need to consult relevant ministries/agencies, MAG to provide comments to the proposal to the Philippines by **28 February 2015**.

iii. Increasing Transparency of Export-Related Measures

25. The US presented its draft proposal on "increasing transparency of export related measures" and noted the potential benefits to exporters and importers if such additional transparency is adopted.

26. The US explained that the MAG would need to decide the scope of export restriction measures to be included in additional transparency efforts as well as on the reporting method. Options to be considered could include a commitment to add the measures listed above to Members' Individual Action Plans and/or uploading relevant information to WebTR or the new proposed APEC TR. In the case of the notification, economies that have notified quantitative restrictions to the WTO according to the 2012 Council for Trade in Goods Decision could link to that notification to avoid duplication.

27. The initial proposal will seek further comments from MAG members as well as on the scope and reporting method. The US suggested that economies' reporting of export-related measures could be included in the APECTR proposed by the Philippines.

28. Several economies shared their initial views on the proposal including agreeing on the need for transparency as well as the issue of duplication of work. However, P.R. China expressed its reservation to this initiative and said it needed to consult in capital, a view shared by some other economies. MAG was also informed that New Zealand is currently exploring further work that could be done in area of NTMs. Economies agreed during CTI3 2014 that more exploratory work on

NTMs could further be undertaken. New Zealand is exploring export restrictions and import licenses as possible avenues for further study and would welcome thoughts from other economies.

29. MAG Convenor suggested that since this initiative could be a sub-set of the APEC TR, the US can further discuss the implementation method with the Philippines. MAG members to provide comments to the proposal to the US by 28 February 2015.
- iii. Simplification of Documents and Procedures - Self-Certification Issue.
30. Rep. Korea has been invited to share the updates of survey on Chokepoint 5 at the next MAG2 Meeting. Singapore raised the possibility of undertaking a stock take on the initiatives pertaining to self-certification. The MAG was also invited to share ideas on way forward on the self-certification.
31. Papua New Guinea shared with the MAG on possibility of looking a proposal on simplification of certification in the future.
- iv. APEC Action Plan on Cooperation to Foster SMEs' Participation in Regional and Global Markets"
32. The Philippines presented its SOM discussion paper for an APEC Action Plan on Cooperation to Foster SMEs' Participation in Regional and Global Markets. MAG was updated on the proposed priority action under the SME Action Plan which includes cross-fora collaboration and sharing of information the various APEC initiatives, identification of priority actions and areas of cooperation to address SME barriers and foster their participation in regional and global markets. In this regard, it is proposed that APEC agree to implement the following priority actions:
 - a. *Increasing the de minimis threshold or waiver for the issuance of certificates of origin. Economies should consider waiving the certificate of origin requirement for shipments of US 2,000 or less.*
 - b. *Providing trade and tariff information for SMEs. Timely and accurate information on tariffs, trade and business procedures are essential to support SMEs in getting their products and services abroad.*
 - c. *Enhancing SME participation in authorized economic operator (AEO) and trusted trader programs.*
 - d. *Setting appropriate labelling requirements for SMEs. As rules and regulations vary widely between economies as well as between importers and distributors, information on appropriate labelling requirements will assist SMEs in the food sector with a view towards establishing a mechanism for recognizing labelling requirements across APEC economies*
33. Thailand also sought clarification on proposed priority actions on d. Setting appropriate labelling requirements for SMEs on how the definition of appropriate in terms of labelling as each economies have different and variety in rules and regulations. In addition, Thailand also requested for Philippines to provide examples on appropriate labelling.
34. MAG convenor suggested that since this paper is cross-cutting in nature i.e. SMEWG, GOS, it is proposed that members consult with their relevant representative in the other sub-fora. MAG members to provide inputs/comments to the Philippines or through respective economies' SOM by **14 February 2015.**

vi. Strengthening Comprehensive Connectivity and Infrastructure Development

APEC Connectivity Blueprint

35. The PSU presented the “Goal and Target” under the APEC Connectivity Blueprint, which was agreed by Leaders last year.
36. The MAG was highlighted on the target of the physical, institutional and people-to-people connectivity. Under the institutional connectivity, among targets include :Customs and Border Administration: To modernize customs and border agency; Supply Chain Performance: Improve supply chain performance in time, costs and uncertainty; Regulatory Coherence and Cooperation and Good Regulatory Practices: Enable a whole-of-government approach in the development of regulations, including coordination across regulatory, standards, and trade agencies; Structural Reforms: Fostering transparency, safety, competition and better functioning markets (including e-commerce) in the Asia-Pacific and Trade Facilitation: Enhance trade facilitation through removal of technical barriers to trade.
37. MAG took note that further discussion on the implementation of the Blueprint will take place at the SOM FoTC on Connectivity, which will be held this week.

I. OTHER BUSINESS

- i. Election of a MAG Convenor for 2015-2016
38. Meeting took the re-election of the Peter Cheah of Malaysia as MAG Convenor for the term 2015/2016.

J. UPDATE FROM SECRETARIAT

39. For 2014, there was a total 224 applications request for funding valued at USD26.65 million. However only 29 projects (30%) were approved valued at USD9.0 million. MAG was informed that there were no Concept Notes submitted by MAG for Session 1, of 2015. MAG members are reminded to submit any concept notes to Secretariat by 27 February 2015. APEC Secretariat also updated on the latest development taking place within the Secretariat, as well as the new template for project prioritisation that will be piloted at Session 1.

K. MEETING DOCUMENTS

40. The meeting agreed to the Document Classification List.

L. NEXT MEETING

41. The meeting noted that MAG2 2015 would be held in the Cebu, with the final date and venue to be advised in due course.

M. CONVENOR’S CLOSING REMARKS

42. MAG Convenor thanked all members for their contribution to the MAG1 Meeting. The draft MAG Convenor Report will be drafted and circulated to members for comments before submitting to CT11.