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APEC Strategic Blueprint for Promoting Global Value Chains 2020-2025 (Endorsed)

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APEC Strategic Blueprint for Promoting Global Value Chains 2020-2025

In 2013, APEC Leaders agreed to promote the development of, and cooperation in, Global Value Chains (GVCs), building on the existing work on connectivity within the fora. In 2014, the *APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation* (the Blueprint) was approved. The Blueprint highlighted the need for APEC economies to work strategically and take actions in creating an enabling environment for GVCs development and cooperation.

After five years, new challenges are shaping the global economy and consequently GVCs. In response, APEC economies carried out a review of the implementation of the Blueprint in order to identify progress and possible areas of improvement. Economies also used this opportunity to update and align the Blueprint with next generation trade and investment issues, recent business trends and other initiatives undertaken by APEC.

APEC economies agree to advance work on GVCs for the following five years and develop a comprehensive and enhanced Blueprint. The *APEC Strategic Blueprint for Promoting Global Value Chains 2020-2025*¹ (the Blueprint 2.0) strives to incorporate new and relevant elements, with the aim of deepening the synergies between different efforts and stakeholders. This will contribute to free and open trade that will benefit GVCs and support sustainable and inclusive growth, taking into consideration women and disadvantaged groups. Additionally, this Blueprint 2.0 will serve as a guide for the development of concrete actions for its implementation.

1. Addressing trade and investment issues and barriers that impact GVCs. We acknowledge that an economy's capacity to access and participate in GVCs and global production networks on a whole are generally related to reduction in trade and investment barriers, either tariff or non-tariff, and at or behind the border. These barriers create market distortions that hinder adequate resource allocation and thus economic growth and regional economic integration. For the next five years, APEC should strengthen our collective efforts to reduce barriers to trade and investment. We will focus our efforts on reforms, cooperation and the development of best practices that address traditional and emerging trade issues and recognize each economies capacity to address these issues. Through this process, we will foster free and open trade as well as non-discriminatory and market-oriented business environments that allow for GVCs' growth and maturity.

2. Realize the critical role of the digital economy within GVCs. We recognize the growing importance of the digital economy for the development of GVCs. We encourage policies that foster access and avoid barriers to the digital economy, facilitating e-commerce and digital trade. Such policies would enable efficient and timely supply of goods and services in GVCs that will benefit businesses, including MSMEs. To that end, we recognize the necessity of enabling the free flow of information and data, acknowledging legitimate domestic policy objectives. Through the increase awareness of these issues and the promotion of best practices through cooperation and capacity building, the work will foster a conducive environment that enables access for businesses of all sizes to the digital economy. Economies are also encouraged to adopt digital platforms that will improve businesses' operational efficiency and competitiveness.

¹ In 2025 this Blueprint 2.0 should be review by APEC economies.

3. Cooperate on implementing and taking full advantage of statistics related to GVCs. We recognize the efforts undertaken by member economies in developing the *APEC Trade in Value Added (TiVA) Database*. However, the TiVA requires continued efforts by APEC economies in terms of maintaining and updating information, a task that we encourage in order to maintain its relevance and value. Additionally, we will undertake further efforts throughout 2020 – 2025 to adopt actions towards using the statistics for GVCs related policy analysis and assessment, through capacity building initiatives. This will allow economies to better understand and to enhance utilization of the TiVA database and other relevant APEC economy statistics on services and investment. This will enable economies to develop policies that enable better participation in GVCs, particularly for MSMEs, and support economic growth.

4. Strengthening the role of services within GVC. We reiterate our efforts to promote the role of services in enhancing GVCs, either through their supportive role in GVCs or as service GVCs, seeking to reduce barriers, both at the border and behind the border, that can negatively affect trade in services and hinder economic growth and development. Accordingly, we need to conduct targeted capacity building to help better understand and stimulate the development of services within GVCs. We will continue to support and complement ongoing work within APEC, led by the Group on Services (GOS), including progress towards the implementation of the *APEC Services Competitiveness Roadmap (ASCR)*, the *Manufacturing Related Services Action Plan (MSAP)*, implementation of the *Non-Binding Principles for Domestic Regulations of the Services Sector* and the continued support of Public Private Dialogues on Services.

5. Promoting access to GVCs for sustainable and inclusive growth. GVCs present an immense potential for economic integration and growth within the APEC region. Taking into consideration the cross-cutting diversity among APEC economies, not only in terms of the size and capacity of the economies, but also the size of the companies that operate within the region. In this context, the needs of developing economies shall be addressed through targeted capacity building that promote approaches to support sustainable and inclusive growth across all APEC economies. Therefore, we recognize the important role of MSMEs as economic drivers in the APEC region and will take measures to reduce barriers for MSMEs, thus increasing their capacity to participate in GVCs. We will enhance access to trade and investment related information via increased utilization of information and communication technologies (ICT), enhancing intellectual property rights, and provide further information on tools and processes that would help MSMEs enter and move up into GVCs.

6. Improve the business climate for GVCs. We recognize that a resilient and business-friendly climate is core to both attracting and fostering investment, as well as promoting APEC's efforts on the Ease of Doing Business. In this context, we acknowledge that APEC should reduce barriers to investment and pursue business and investment models in accordance with international standards that can result in a decrease in costs of doing business and uncertainty and can bolster investor confidence, ensuring a level playing field. The latter could include targeted capacity building and should support efforts undertaken by APEC, specifically through the *APEC Ease of Doing Business Initiative*, the *APEC Non-Binding Investment Principles*, the *APEC Investment Strategy* and the *APEC Investment Facilitation Action Plan (IFAP)*.

7. Deepen efforts to promote trade facilitation. We reaffirm our commitment to fully implement the WTO Trade Facilitation Agreement (TFA), that seeks to expedite the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation. In this context, we will continue our trade facilitation efforts including those under the Phase Two of the *APEC Supply Chain Connectivity Framework Action Plan* (SCFAP II) and other work that supports TFA implementation. We reaffirm efforts to strengthen technical assistance and capacity building initiative related to the implementation of WTO TFA.

The implementation of this Blueprint 2.0, through developing and adopting continuous targeted capacity building activities, will be an important key in the development of a climate that will promote GVCs within the APEC region and in turn enhance regional economic integration that is resilient to volatility and economic uncertainties. We believe that free and open trade will support the development of GVCs.

Additionally, APEC in its targeted capacity building, will promote collaboration with all stakeholders in GVCs, including relevant international organizations, academia and experts, NGOs, business and partner institutions to enhance synergies in policy making.

In this context, we agree that the implementation of each workstream of this *APEC Strategic Blueprint for Promoting Global Value Chains 2020-2025* will be led by the Committee on Trade and Investment (CTI), in cooperation with other committees and sub-committees, through Champion Economies, to be elected on a voluntary basis. Each Champion(s) economy should present to CTI a workplan for the implementation of each workstreams it champions. Oversight, through CTI, will consist of yearly reports by each workstream Champion Economy during CTI and will be tabled so within the CTI agenda once a year.

Additionally, Chile together with all Champion economies, will submit a written report to AELM by 2025, that will reflect the progress achieved within its different workstreams, in the 2020-2025 period, and possible ways forwards in order for Leaders to evaluate how APEC will address GVCs post 2025.