



**Asia-Pacific
Economic Cooperation**

2019/SOM2/007

Agenda Item: 3

Addressing the Unfinished Business of the Bogor Goals: A Final Push in Services

Purpose: Information
Submitted by: Chile



**Second Senior Officials' Meeting
Viña del Mar, Chile
15-16 May 2019**

Addressing the unfinished business of the Bogor Goals: a final push in services

Submitted by Chile

CTI: For consideration

SOM and GOS: For information

Background

For SOM1, Chile submitted a paper for information on “Addressing the Unfinished Business of the Bogor Goals” in CTI and SOM. We suggested that economies develop a list of concrete individual and collective recommendations to be realised by the end of the Bogor Goals deadline — the end of 2020 — that is, a ‘final push’. The paper was a response to Leaders’ and Senior Officials’ instructions that we should take concrete steps towards achieving the Bogor Goals in the time we have remaining.¹

During discussions in CTI and SOM, the paper received general support from economies, which noted that any work needs to be practical and realistic, including a suggestion that APEC’s committees and groups, especially those responsible for the areas identified in the Osaka Action Agenda, could contribute to this final push. Also, that we need to focus on where our collective efforts can have the biggest impact. This document proposes that we agree on a final push on services. Chile notes the range of ideas that have been put forward in other areas, and encourages economies to propose concrete initiatives that will support the overall objective of achieving the Bogor Goals.

Regional context

Trade in services is now at higher value than trade in goods when measured in value-added terms. Services account for at least 60% of the region’s GDP and is a major contributor to productivity and employment in the region. Services are the most important economic sector for most economies in the region, accounting for the majority of GDP and new investment flows.

Despite its value and importance, there are still a range of barriers to services trade that restrict its opportunity to grow. *PECC’s eleventh Annual Report of the State of the Region* noted:

“the importance of taking action and concrete steps towards greater services liberalization in the Asia-Pacific is underlined by the high levels of services restrictiveness that still exist across the region... These impediments to services trade are standing in the way of greater regional integration”.

The *2018 Bogor Progress Report* recognized services as a key area requiring further attention.

“Policies implemented by APEC economies regarding the provision of services have been mixed in terms of facilitating foreign participation” ... “measures affecting services trade seem to be more restrictive in areas such as insurance, communication services and electronic payment processing services. Cabotage is usually off-limits for foreign firms.”

ABAC has also recently noted priority areas to the Group on Services (see: Annex) and identified the following areas to facilitate the implementation of ASCR where it would like to see more work and progress: (1) Education Services sector, (2)

¹ APEC Toward 2020 and Beyond

Environmental Services sector; (3) Logistics & Global Distribution Services sector and; (4) Promoting the mutual recognition of qualifications of architects.

Progress in APEC

The *APEC Services Competitiveness Roadmap (ASCR)* has created momentum for advancing services issues since 2015. While the Group on Services (GOS) is the primary forum for coordinating the implementation of the roadmap, cross-fora collaboration is mandated, including featuring joint work with ABAC.

The GOS recently completed the *APEC Non-Binding Principles for Domestic Regulation of the Services Sector*, an ambitious exercise, which provides guidance on improving economies' domestic regulatory environment to increase services competitiveness. Three projects were presented at GOS 1, which build on these Principles in specific services sectors and to address current regulatory challenges. These principles can serve as a guideline for the future work of the GOS, cross-fora APEC initiatives, and for individual economies regulatory efforts to facilitate and liberalize the services sectors.

To take advantage of this momentum, GOS has proposed holding a Services Summit during SOM3. This will include discussions on promoting services competitiveness, implementing the non-binding principles and reviewing progress towards an APEC Index to Promote the Work of Measuring the Regulatory Environment in Services Trade in APEC.

Proposal

Chile proposes the following:

1. That APEC makes a 'final push' on services as part of achieving the Bogor Goals, building from the areas identified in the APEC Services Competitiveness Roadmap.
2. That CTI task the GOS to develop a set of short- and medium-term recommendations regarding priority areas for facilitating services trade and enhance the competitiveness of the services sector, which we can advance before the Bogor Goals deadline of 2020. These recommendations should take into account requests by ABAC and the Bogor Goals progress report.

Workplan

SOM2/2019	<ul style="list-style-type: none"> • CTI to endorse the proposal on Addressing the unfinished business of the Bogor Goals: a final push in services • SOM and Ministers Responsible for Trade to welcome the initiative.
Intersessionally before SOM3	<ul style="list-style-type: none"> • GOS members to discuss a set of short- and medium-term recommendations regarding priority areas for facilitating services trade and enhance the competitiveness of the services sector, which we can advance before the Bogor Goals deadline of 2020
SOM3/2019	<ul style="list-style-type: none"> • Services summit

	<ul style="list-style-type: none">• GOS2 to endorse the recommendations, assess existing workplans and new initiatives that will contribute to a final push in the areas and report these to CTI.• SOMs to note progress under this initiative.
CSOM/AMM/ AELM/2019	<ul style="list-style-type: none">• SOMs to report progress to Ministers.• Ministers to note the work in services and encourage further work during 2020.
2020	<ul style="list-style-type: none">• GOS and CTI to report on progress throughout 2020.• Ministers to note outcomes of this initiative in November 2020.• Leaders may wish to welcome the outcomes in November 2020.

Annex: APEC Services Activities for 2019

Intersessional

- Study to analyse impact of areas for improvement in transparency and predictability of domestic regulatory requirements and procedures in the APEC region in support of implementation of the APEC Non-Binding Principles for Domestic Regulation of the Services Sector (led by US)
- Workshop to train officials to collect, measure, and analyse data in sectors relevant to the proposed APEC Index (led by US)

SOM2/2019

- Capacity building workshop on a negative list approach -some specific issues when transitioning from positive list to negative list (led by Japan)

SOM3/2019

- *Services Summit* in the margins of SOM3, in Puerto Varas, Chile.
 - Promoting Services Trade Competitiveness in APEC (led by Australia)
 - Promoting Consumer Protection in Digital Trade Challenges and Opportunities (led by Korea and Chile)
 - Best practice sharing to improve application of the APEC non-binding principles for domestic regulation of the services sector (led by Korea)
 - Workshop on outcomes of study to inform economies on the benefits and value of the transparency aspects of the APEC Non-Binding Principles for Domestic Regulation of the Services Sector (led by US)
 - Follow-up to the APEC non-binding principles for Domestic Regulation of the Services Sector-Online Shopping Platform Services (led by Chinese Taipei)
- 4th Technical Group Meeting on Measuring the Regulatory Environment of Services Trade in the APEC Region
- GOS2:
 - Plenary will discuss a range of initiatives on services, and target debates, including how to accelerate work to achieve the Bogor Goals relating to services.
 - Review the results of the Pilot Program Towards Developing APEC Index to Promote the Work of Measuring the Regulatory Environment in Services Trade of APEC (led by Korea)
- Report to SOMs progress on implementing the ASCR



20 March 2019

Ms. Krasna Bobenieth

Chair, APEC Group on Services (GOS)
Head of APEC Department
General Directorate of International Economic Relations
Ministry of Foreign Affairs
Chile

Dear Ms. Bobenieth:

AREAS WHERE THE APEC BUSINESS ADVISORY COUNCIL (ABAC) WILL BE SUBMITTING INPUTS TO THE GROUP ON SERVICES (GOS) TO FACILITATE THE IMPLEMENTATION OF THE APEC SERVICES COMPETITIVENESS ROADMAP (ASCR) & PROPOSAL TO INCLUDE THE STAR DATABASE IN THE APEC TRADE REPOSITORY

I hope that this email finds you well. Previously, you asked that ABAC identify a few key areas where it will submit its inputs to GOS to facilitate the implementation of the ASCR. ABAC has deliberated the matter and will be submitting its inputs on the following areas to you in the course of this year to facilitate the implementation of the ASCR:

- a) Recommendations on promoting the Education Services sector
- b) Recommendations on promoting the Environmental Services sector
- c) Recommendations on promoting the Logistics & Global Distribution Services sector.
- d) Recommendations on promoting the mutual recognition of qualifications of architects
- e) Recommendations on a regulatory approach that will provide appropriate prudential oversight, legitimate consumer & security protections, while enabling trade-related data flow in the context of an increasingly digitalised world

In addition, I would like to take the opportunity of this letter to formally submit our proposal on including the STAR Database in the APEC Trade Repository for your consideration. In the event that the proposed inclusion of the STAR Database in the APEC Trade Repository is not feasible, we request that APEC kindly considers listing the services policies and regulations of each APEC economy in the Trade Repository starting with the industries that will be covered in the pilot program for the development of the APEC Services Trade Restrictiveness Index. This effort should subsequently be extended to cover all industries in the services sector. Our detailed proposal is enclosed in the attached [Annex A](#).

The services sector is an important component of APEC economies, accounting for at least 60% of the region's GDP, and a major contributor to productivity and growth in the region. The sector involves many micro-, small- and medium-sized enterprises and women. The potential for the services sector to drive inclusive and suitable growth will only be delivered with effective policies that properly engage the private sector. We look forward to working closely with you to drive the growth of the services sector in APEC.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Richard von Appen', written over a horizontal line.

Richard von Appen
ABAC Chair 2019