Group on Services Convenor's Report – Endorsed

Purpose: Information
Submitted by: GOS Convenor

**First Committee on Trade and Investment
Meeting
3-4 March 2021**

GOS CONVENOR'S SUMMARY REPORT TO CTI 1 2021

1. **How does the Forum's work contribute to CTI's Objectives of:**
   Please provide a brief list of the forum's work under each sub-heading. Please refer to Appendix A for further detail on CTI's objectives.

   a. **Support for the Multilateral Trading System**
   - GOS' ongoing work on the domestic regulation of services –particularly under the "final push in services" with the US as champion economy- supports the WTO negotiations on services domestic regulation disciplines. The United States plans to implement a project on "Translating APEC's Non-Binding Principles for Domestic Regulation of the Services Sector into Practice – a focus on domestic regulations in trade agreements".
   - During the GOS 1 2021 meeting, the Convenor suggested that GOS should consider drafting a statement in support of the work in domestic regulations undertaken in the WTO. The Convenor will further discuss this with interested GOS members and, if agreed by members, will work to intersessionally settling on a GOS endorsed statement in advance of the 12th WTO Ministerial Conference.

   b. **Regional Economic Integration, including taking forward the Putrajaya Vision 2040 and contributing to the development of the Implementation Plan in 2021**
   - GOS is undertaking a final push on services to address the unfinished business of the Bogor Goals, focusing on five priority areas: domestic regulations, development of an APEC Index to measure the regulatory environment in services trade in APEC, mutual recognition of qualifications and licensing, environmental services and manufacturing-related services.
   - GOS is accountable for the implementation and monitoring of APEC-wide actions under the APEC Services Competitiveness Roadmap (ASCR) to develop services sectors in the APEC region as enablers of economic growth and inclusion.
   - Collated views and ideas of GOS members on the development of the Putrajaya Vision 2040 implementation plan will be provided to the CTI in early March 2021.

   c. **Trade Facilitation and Connectivity**
   - GOS is undertaking work on the mutual recognition of qualifications and skills under the leadership of Australia, contributing to people-to-people connectivity as indicated in the APEC Connectivity Blueprint 2015-2025.
   - The GOS is working towards the development of an APEC Index to measure the regulatory environment in services trade in order to facilitate services trade in the APEC region.

   d. **Inclusion**
   - Input has been requested from GOS members for submission to PPWE by mid-June 2021 on the implementation of the "La Serena Roadmap on Women and Inclusive Growth".
   - Japan submitted a Concept Note for Project Session 1 2021 to conduct a "Workshop on Promoting Trade in Services by SMEs and Women Entrepreneurs" in October 2021.

2. **Forum Main Objectives/Deliverables expected for 2021**

   Please provide a brief list of the forum's 2021 objectives and expected outcomes/deliverables.

- ASCR Mid Term Review undertaken by the PSU in 2021: First draft report to be prepared by May 2021 and Final Report to be presented in August/September 2021.
- Trade Policy Dialogue to be organized in the margins of SOM2 2021 to discuss findings from the ASCR Mid Term Review analysis and potential areas for new recommendations.
- The development of a MRT "Declaration on Facilitating Essential Services by the APEC Ministers of Trade in response to COVID-19" proposed by Australia during GOS 1 2021 is being progressed.
- "Final push" on services to address the unfinished business of the Bogor Goals. GOS' expected deliverables in these work streams are:
  1. Domestic Regulations on Services – championed by the United States.
     - A study and a comparison tool aim to be completed by mid-year 2021 and a webinar will be organized in the margins of SOM3 under the US self-funded project "Translating APEC's Non-Binding Principles for Domestic Regulation of the Services Sector into Practice – a focus on domestic regulations in trade agreements".
  2. Developing an APEC Index to Measure the Regulatory Environment in Services Trade of APEC – championed by Korea.
     - The pilot program of the APEC Index covering up to four sectors – distribution services, logistics services, computer services and telecommunications services – in four APEC economies i.e. Chile, Peru, Chinese Taipei and Viet Nam will be disseminated through a dedicated website.
  3. Mutual Recognition of Qualification and Licensing – championed by Australia.
     - Deliverables of the self-funded project "APEC Professional and Skilled Services Gateway - an Inventory on Mutual Recognition Agreements" include: an online inventory of mutual recognition agreements (MRAs) on licensing, qualifications and accreditation of professionals and skilled service providers in APEC economies; a report containing recommendations on: (1) how best to keep the inventory up-to-date on an ongoing basis; and (2) priority areas for professional mobility across APEC economies; information on: (1) the types of MRAs and their utility; and (2) best practice MRAs.
     - A series of virtual workshops will be organized as part of the "APEC Mutual Recognition Online workshops - Digital credentialing of professional and skilled services providers" in May 2021. A report summarising outcomes and identifying guiding principles on the establishment digital credentialing frameworks will be prepared.
  4. Environmental Services – championed by New Zealand.
     - The report from the project "Advancing the APEC Environmental Services Agenda: Future Directions" will be finalized in March 2021.
  5. Manufacturing-related services (MRS) – championed by Malaysia.
     - A concept note to organize a self-funded workshop will be circulated to GOS members. The date of the event is still to be determined, tentatively in the second half of 2021.
- Additional work deliverables likely to include:

1. Workshop on "APEC Best Practices on Developing Services-related Statistics in Mode 3" to be held in Indonesia in June 2021.
2. Four digital seminars highlighting regulatory best practices and offerings will be organized and a heat map which identifies existing capabilities and initiatives across APEC looking out to 2040 (megatrends) will be presented as part of Australia's self-funded project "APEC Financial Services — Increasing APEC's fintech and regtech capabilities post COVID-19".
3. A study and workshop will be developed under the US self-funded project "Negative List Scheduling in Services Negotiations – Scheduling services commitments in key sectors". Deliverables are expected for the third quarter of 2021.
4. Chinese Taipei plans to organize a "Private Public Dialogue (PPD) on Digitally Enabled Services: Challenges and Opportunities" in September 2021. The concept note will be presented for Project Session 1 2021.
5. Japan submitted a Concept Note for Project Session 1 2021 to conduct a "Workshop on Promoting Trade in Services by SMEs and Women Entrepreneurs" in October 2021.
6. Revision of the GOS Terms of Reference in 2021.

3. **Planned private sector engagement in 2021**
   Please provide a list of planned private sector engagement in 2021

- A Trade Policy Dialogue will be organized in the margins of SOM2 2021 to discuss progress and findings of the ASCR MTR. APEC fora responsible for progressing initiatives under the ASCR, including ABAC and other external stakeholders will be encouraged to participate actively in the event.
- GOS Convenor to participate in the first meeting of ABAC's Services Taskforce on 15 March 2021.
- ABAC will contribute to the ASCR MTR through a research to be undertaken by Jane Drake Brockman to be delivered in May 2021.
- Strengthen ongoing collaboration with ABAC's Services Taskforce by seeking the Taskforce's participation in future GOS meetings.
- Participation of private sector representatives in GOS related workshops and events.

4. **Planned cross-fora collaboration in 2021**
   Please provide a list of planned cross-fora collaboration in 2021
- GOS monitors the implementation of ASCR APEC-wide Actions of 14 Working Groups
- GOS-PPFS: GOS members participation in the "Workshop on Services and the Food System"
- GOS-DESG*:* collaboration with the Digital Economy Steering Group (DESG) to support implementation of APEC's Internet and Digital Economy Roadmap.
- GOS-PPWE: GOS to provide inputs for the La Serena roadmap implementation plan

5. **Main outcomes from most recent plenary meeting**
   Please provide in list format
- GOS members noted PSU planned methodology to undertake the ASCR Mid Term Review in 2021.
- GOS noted updates from champion economies on their respective work plans for supporting the "final push" on services:

- o Domestic Regulation of Services: The United States informed of plans to implement the project "Translating APEC's Non-Binding Principles for Domestic Regulation of the Services Sector into Practice – a focus on domestic regulations in trade agreements".
  - o APEC Index: Korea updated on plans to disseminate the pilot program for the APEC Index and invited interested economies to champion this work stream to handover the leadership for the next steps.
  - o Mutual Recognition:
    - ▪ Australia invited APEC economies to review the prototype of the MRA inventory [accessible at https://aasc.knack.com/mra-inventory] and provide feedback [to info@apec.org.au] and to provide feedback on additional mutual recognition agreements to include on the inventory via the website. A meeting of the Informal Working Group will be called [in March] to review the prototype. The launch of the online inventory is planned for April, followed by analysis of inventory data to inform training modules.
    - ▪ On the Digital Credentialling Project first of two workshops was held in early December 2020 and it was well received. The second workshop [planned for early May], will focus on the development of high-level guidance for implementing and increasing the use of digital credentials in recognition practice.
    - ▪ Australia will actively consider options for further development of the inventory and delivery of training on both MRA initiatives through futher follow-up projects.
  - o Environmental Services: the contractors who developed the study research for the project "Advancing the APEC Environmental Services Agenda: Future Directions" presented the progress of the work undertaken. The Final report will be delivered in March 2021.
  - o Manufacturing–related services: Malaysia informed plans to hold a related self-funded workshop in the early second half of 2021.
- GOS members noted updates and plans on the implementation of the following projects:
  - o United States' self-funded project "Negative List Scheduling in Services Negotiations – Scheduling services commitments in key sectors"
  - o Chinese Taipei's concept note "Private Public Dialogue (PPD) on Digitally Enabled Services: Challenges and Opportunities"
  - o Japan's concept note on "Workshop on Promoting Trade in Services by SMEs and Women"
- GOS members were requested to provide written updates on additional work being undertaken, including:
  - o Indonesia's project "Workshop on APEC Best Practices on Developing Services-related Statistics in Mode 3".
  - o United States' self-funded project "Advancing the Services Agenda in APEC: expanding sectoral data collection, measurement, and analysis for the APEC Index".
  - o Australia's self-funded project "APEC Financial Services — Increasing APEC's fintech and regtech capabilities post COVID-19".
  - o Malaysia's self-funded project "APEC Technologists & Technicians Register".

6. **Was quorum[1] reached at the most recent plenary meeting?**
Please advise how many economies participated in the most recent plenary meeting.

All 21 APEC economies attended the GOS1 2021 meeting. PECC attended the event as observer and Costa Rica and Colombia as guests in GOS.

7. **What is your Forum doing to maintain/increase its relevance to APEC member economies and increase participation from its members?**
Please provide a brief list of planned efforts to increase participation from members
- Active collaboration with other APEC fora in the implementation of the ASCR and the Mid Term Review in 2021.
- ABAC was invited to provide updates to GOS members during the plenary meeting.
- The virtual format of APEC meetings allows more economies, observers and guests to attend.

8. **Decision points needed from CTI**

- Seek CTI's endorsement of the GOS Convenor's Report.

Please add any additional decision points needed from CTI

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[1] Quorum requires 14 economies or more. Quorum is measured by member economies (not including private sector) participating. Remote participation is counted.

FORUM'S CONTRIBUTION TO CTI'S OBJECTIVES

Appendix A provides examples of work that contributes to CTI's objectives

Support for the Multilateral Trading System

Initiatives that support:

- The multilateral trading system as embodied by the World Trade Organization (WTO) including the 12th WTO Ministerial Conference
- The implementation of WTO Agreements / Decisions

Regional Economic Integration

Initiatives that support:

- Achievement of *the Putrajaya Vision 2040* and development of its Implementation Plan/Action Agenda
- Eventual realization of the Free Trade Area of the Asia Pacific (FTAAP)
- Next Generation Trade and Investment Issues
- Internet and Digital Economy, E-Commerce and Digital Trade
- Global Value Chain Cooperation and Development
- MSMEs' Internationalization
- Environmental Goods and Services/Green Growth
- Services, including implementation of the APEC Services Competitiveness Roadmap
- Investment
- Market Access and reducing impact of Non-tariff Measures
- Intellectual Property
- Business Mobility through e.g. APEC Business Travel Card

Trade Facilitation and Connectivity

Initiatives that support:

- Supply Chain Connectivity, including implementation of Phase II of the Supply Chain Framework Action Plan (SCFAP II), GVC Blueprint 2.0
- Trade Facilitation, including work that supports implementation of the WTO Trade Facilitation Agreement
- Connectivity
- Regulatory Cooperation and Convergence

Inclusion

Initiatives that support:

- Implementation of the Action Agenda on Economic, Financial and Social Inclusion