



**Asia-Pacific
Economic Cooperation**

2021/SOM2/CTI/IS10

Agenda Item: III

**Summary Record of Discussion – First Committee
on Trade and Investment Meeting 2021
(Endorsed Intersessionally on 5 May 2021)**

Purpose: Information
Submitted by: APEC Secretariat



**Second Committee on Trade and
Investment Meeting
25-27 May 2021**

**SUMMARY REPORT
COMMITTEE ON TRADE AND INVESTMENT (CTI)
First Meeting for 2021
3 & 4 March 2021**

Introduction

1. The Committee on Trade and Investment (CTI or “the Committee”) held its first meeting on 3 & 4 March 2021 hosted by New Zealand virtually. All 21 APEC economies were represented and participated virtually. Representatives from APEC Business Advisory Council (ABAC), ASEAN Secretariat, Pacific Island Forum and Pacific Economic Cooperation Council (PECC) also joined the meeting. The APEC Policy Support Unit (PSU) was also present and contributed to a number of items in which it is leading work for CTI.

CHAIR’S OPENING REMARKS

2. The Chair welcomed members to the first CTI plenary for 2021 and thanked New Zealand for hosting the virtual meeting. The Chair noted that prior to the CTI meeting, there were a number of sub-fora meetings and workshops.
3. The Chair encouraged observers and ABAC members to join the discussions and share experiences, such as that of the ASEAN’s implementation of the Memorandum of Understanding (MoU) signed in November 2020 that aimed to ensure the smooth flow of essential goods and prevent supplies disruption. The Chair encouraged economies to provide written updates using the ‘Items for Noting’ document and to use the “Chat Box” function of the meeting platform to provide comments.

ADOPTION OF THE AGENDA

4. The agenda was adopted by members.¹

MATTERS ARISING FROM THE RECORD OF THE LAST MEETING

5. The summary record from CTI3 2020² was endorsed intersessionally.

SUPPORT FOR THE MULTILATERAL TRADING SYSTEM (MTS)

Discussion on APEC’s support for the MTS

6. There was a good exchange of views on this topic. Members noted the importance of a rules-based multilateral trading system and expressed hope that the WTO would make progress in advance of the 12th WTO Ministerial Conference under the leadership of the new Director-General, Ngozi Okonjo-Iweala. Members shared views on how APEC could contribute to the strengthening of the MTS. including through supporting various ongoing negotiations and implementing existing WTO Agreements such as the Trade Facilitation Agreement.

¹ 2021/SOM1/CTI/001

² 2020/CTI3/SUM

7. The APEC Secretariat's Communications and Public Affairs Unit (CPAU) shared ongoing work of an online survey that was conducted in partnership with the Asia Foundation.³ This included perceptions on multilateral cooperation in the context of the digital age and the backdrop of a pandemic.
8. Japan and PSU presented on the final report of the study Assessment of Capacity Building Needs to Support WTO Negotiation on Trade Related Aspects of E-commerce.⁴ The PSU noted that its study was designed to contribute to the ongoing WTO negotiations on e-commerce as well as the capacity building activities that may arise from it. It comprised of a database component which looked at six key focus areas, including electronic transaction framework, openness and cross-border-related issues; consumer protection and privacy issues; cybersecurity /network security; infrastructure and market access. The second component looked at case studies. Possible capacity building activities were identified including: (i) encouraging the adoption of international standards, practices, guidelines and recommendations in economies' laws and regulations; (ii) improving mutual recognition and interoperability among the laws, regulations and initiatives; (iii) strengthening international cooperation with regard to specific aspects of e-commerce; (iv) instituting new approaches to regulations, including the use of technology to facilitate process; and (v) ensuring that laws, regulations and initiatives are practical, reasonable and can be operationalized efficiently.
9. China and Russia provided updates on their initiatives, (i) Virtual Preparatory Meeting for Symposium on APEC Supporting the WTO Negotiations on Trade related Aspects of E-Commerce and (ii) Workshop on Protection of Intellectual Property Rights in Digital Content Trade during their interventions.

REGIONAL ECONOMIC INTEGRATION

DISCUSSION ON THE NEXT STEPS FOR THE FREE TRADE AREA OF THE ASIA-PACIFIC (FTAAP) AGENDA

10. ABAC shared its views on the FTAAP noting that the 2020 ABAC Letter and Report to leaders had called for FTAAP to be “at the heart” of the Putrajaya Vision.⁵ ABAC was of the view that the upcoming implementation plan should include specific, ambitious and concrete outcomes and be the fundamental organising principle for the APEC business community. ABAC also saw “FTAAP as a journey, not as a destination to be achieved in a fixed time in the future”. Top priorities for businesses include reducing costs and complexity through tariff elimination, regional sourcing, a single set of rules of origin (ROO), simplified documents and processes, and harmonised standards and mutual recognition on conformity assessment. On services, businesses wanted greater market access and the inclusion of more sectors and the greater use of the “negative-list” approach in FTAs. For investments, businesses priorities were greater market access through an expansion of the sectors that businesses can enter, greater transparency on rules and approvals required, as well as investment protection against unfair or unjust actions. For intellectual property, businesses wanted strong intellectual property rights and, to reduce complexity, a single filing for protection across multiple economies. ABAC further noted that in light of COVID-19, supply chain resilience had become a key issue for businesses affected by export trade restrictions and bans, especially on food and

³ 2021/SOM1/CTI/002

⁴ 2021/SOM1/CTI/003 & <https://www.apec.org/Publications/2020/12/Assessment-of-Capacity-Building-Needs-to-Support-WTO-Negotiation>

⁵ 2021/SOM1/CTI/004. The ABAC representatives were (i) Mr Ho Meng Kit, Senior Advisor, Singapore Business Federation, Chair of ABAC Regional Economic Integration Working Group and (ii) Mr Motomu Takahashi, Counselor, Mitsui & Co., Ltd, Convenor of the FTAAP Taskforce.

essential medical supplies and personal protective equipment (PPE). While many of these measures have eased, businesses wanted assurance of smooth custom clearance.

11. ABAC noted that COVID-19 had made businesses even more reliant on the digital economy. With the pandemic businesses have seen a rise in use of electronic platforms and apps to conduct business. ABAC highlighted the value of digital economy agreements (DEAs) which addressed issues in cross-border digital trade and services, such as the interoperability of systems and free flow of data across borders, as well as harmonised rules on data protection and personal data transfer and mutual recognition of digital identity and e-certification. ABAC wanted these issues to be addressed through the FTAAP discussions. ABAC also saw FTAAP as a living process which would be responsive to the dynamic changes of the business environment.
12. ABAC suggested three key priorities for action, to (i) agree on a sectoral initiative to eliminate tariffs, non-tariff barriers and export restrictions on essential medical supplies, vaccines and related services; (ii) make progress in agriculture, non-tariff barriers, services and investment; and (iii) seek convergence in the priority areas of rules of origin, customs procedure and investment provisions.
13. ABAC also shared their FTAAP workplan for 2021, which included (i) FTAAP Investment Policy that would look at issues and challenges impacted by COVID-19 on GVCs and cross-border investment; (ii) Analysis Economic Impact of CPTPP-RCEP.
14. There was good engagement on this topic with all members exchanging views on ABAC's priority areas for FTAAP.

Initiatives in support of Regional Economic Integration

15. Australia updated members on the findings of its completed self-funded initiative "Building Resilient Supply Chains 2020: Survey and Analysis".⁶ The report highlighted key trends from the APEC Global Supply Chains Resiliency Survey which found that two-thirds of businesses had not changed their supply chain either due to costs or regulatory barrier. Australia noted that APEC could play a role in facilitating supply chain connectivity. The report offered a series of policy recommendations and Australia looked forward to working with other economies on taking forward some of these recommendations. The Philippines saw the initiative as timely as COVID-19 revealed major weakness in traditional supply chains, affecting both MSMEs and large enterprises. It welcomed the key recommendations arising from the survey from SMEs, large enterprises and government and industry organizations.
16. Chile shared that to date, 13 economies had responded to its questionnaire on its proposal, Update on Dispute Settlement Mechanisms (DSM) in Trade Agreements. It would be extending the deadline to gather more responses. Chile shared that it is planning a webinar in July or August 2021. Chile also noted that the Project Overseer had changed and sought a deadline of 17 March 2021 for responses to the questionnaire.
17. Japan updated members on its initiative, Toward Building Resilient Supply Chains - A Possible Role of Investment Policy.⁷ The initiative aimed to promote liberal investment provisions in FTAs/EPAs and BITs that would contribute to the eventual realisation of FTAAP and to explore a balanced investment policy approach and to analyze new issues to facilitate a sustainable business environment both under the COVID-19 crisis and in the post-COVID era. A workshop is planned for 13 & 14 May 2021.

⁶ 2021/SOM1/CTI/005

⁷ 2021/SOM1/CTI/006

18. New Zealand provided an update on its self-funded study on APEC Non-Tariff Measures on Essential Goods During COVID-19: Lessons for the Future.⁸ The study found that NTMs were implemented rapidly in the light of COVID-19 and that food and PPE attracted more restrictive NTMs. Export measures and financial support were common restrictive NTMs while authorization processes were largely trade facilitating. 60% of NTMs remained in place at end of 2020 with many in place for fairly short periods. Options presented for APEC to consider include (i) agreeing on a list of Essential Goods; (ii) signing up to or extend existing Essential Goods-facilitating initiatives; (iii) developing a Trade Facilitation Agreement Fast-Track Roadmap and (iv) further research on impact of NTMs. The deadline for comments to the draft report is 11 March 2021. Chile noted that this study was in contrast to the findings made by the PSU last year, which showed that measures taken during COVID-19 by APEC economies were mostly facilitating measures. Peru noted the value of the report. Peru thought it was useful for members to know the situation of NTMs during COVID in order to enhance trade facilitation policies and avoid unnecessary barriers to trade, especially on essential goods. Peru saw COVID as an opportunity to look for new measures, that could support the economic recovery in a post-pandemic context as well as remain as permanent policies. China expressed support for the work on NTMs. Malaysia commended the work on NTMs which is linked to the 2020 Ministerial Declaration on Facilitating the Movement of Essential Goods and supported the recommendation of developing a list of essential goods. Malaysia also noted that the report had fulfilled part of the review mechanism contained in the Declaration.
19. New Zealand updated members on its plans on the Environmental Goods non-paper.⁹ It was of the view that the original list with its limited coverage is dated and risked losing its relevance post-2020. New Zealand asked members to build on the success of the 2012 APEC List of Environmental Goods by substantially supplementing the original list. To this end, New Zealand proposed (i) a technical update to the HS Codes to be in line with HS 2017 and HS 2022; and (ii) to broaden the coverage of the existing list, by adding new items to the list, based on evolving technological, regulatory and environmental needs. New Zealand further proposed that members first set aside the expectation that this will lead to new tariff commitments, focusing first and foremost on the critical process of updating and expanding the set of items. New Zealand stressed that supplementing the list would be done without prejudice to where economies are in their implementation of the 2012 tariff commitments, and without prejudice to economies' positions in other negotiating processes. New Zealand was of the view that updating an outdated list would be an important signal of APEC's' continued responsiveness and relevance and this would add to APEC's strength and value-add in continuing to serve as the region's premier incubator of ideas. New Zealand added that having an updated list would promote greater consistency among those economies that were ready to voluntarily examine their tariff rates and/or pursue further trade liberalisation. New Zealand noted the importance that any new items added to the list should show credible and demonstrable environmental end use and/or benefit, or a linkage to new environmentally-friendly technological innovations. New Zealand further shared that it and Australia were of the view that there could be research done interessionally to help APEC identify and develop an indicative expanded set of environmental goods that could be tied to mitigating specific environmental challenges, and new technological advances. New Zealand noted that Australia is developing a self-funded proposal for such a research initiative, which would be circulated interessionally. New Zealand proposed that an informal group should also determine the scope and terms of reference for how we update the list. Indonesia suggested having a clear definition of environmental goods and services, including the scope and product categorization. It also suggested evaluating the benefits of the 2012

⁸ 2021/SOM1/CTI/007 & 2021/SOM1/CTI/008

⁹ 2021/SOM1/CTI/009

EGs List including its contributions to addressing environmental challenges. Indonesia suggested consideration of several optional solutions such as through trade facilitation measures. It viewed that mitigation efforts should also cover the effort to increase public awareness of emerging environmental issues. Indonesia opined that efforts need to be built on a consensus basis and take into account economies' different level of capacity. Mexico noted the importance of updating the List of Environmental Goods to reflect the amendments to guarantee its validity and relevance due to the emergence of new technologies and environmental innovations, Mexico was not in a position to neither support the incorporation of new products to the list to reach tariff levels of the 2012 commitment of 5% or less; nor carry out new tariff reductions to the original list. China expressed support for work on Environmental Goods. A deadline of 24 March 2021 was set for comments on the non-paper. Malaysia supported the proposal to transpose the existing list to HS2022 and could go along with the process indicated in the proposal. Malaysia asked that specific mandate from the appropriate level at APEC be sought to expand the list.

20. The US resubmitted its proposal, FTAAP Work Program on Labor-related Provisions in FTAs/RTAs, including information-sharing on Technical Assistance and Capacity Building provisions. The proposal called for (i) data-gathering to identify the challenges in invoking and effectively implementing labour-related capacity building and technical assistance in FTAs/RTAs concluded by APEC economies, and (ii) holding a workshop to examine the accumulated data to better understand how to benefit from labour provisions in RTAs/FTAs, including their potential for providing effective capacity building and technical assistance. The US noted that 19 out of 21 economies currently have FTAs or side letters that include Labor provisions. The US noted that the economy who had raised concerns in the past had recently entered into an investment agreement with a non-APEC economy that included provisions on labour. Japan expressed support for the proposal and suggested to also look at such provisions in FTAs of APEC members with non-APEC members.
21. The US resubmitted its proposal Work Program related to FTAAP addressing State-owned and Controlled Enterprises (SOEs). The proposal seeks to review of provisions related to SOEs in various RTAs/FTAs. A compilation of these areas would identify convergence and divergences, and to increase transparency of what measures are in place to ensure a level-playing field vis-a-vis non-State actors as they compete against the growing number and size of SOEs in the global trade environment. Based on this review, a discussion could take place to further explore this issue, which could be a useful reference for negotiations on future FTAs, as well as in the work related to FTAAP as a whole. The US noted the input from Indonesia that activities and potential outcomes would be without prejudice to possible future work related to FTAAP and to economies' positions related to SOEs provision negotiations, the US has reflected this input in the proposal. Japan expressed support for a stocktake on SOE provisions in FTAs. Thailand asked that the study also look at flexibilities provisions. On both the Labour and SOE proposals, China noted the President Xi Jinping had announced at the 2020 APEC Economic Leaders' Meeting that China would favorably consider joining the CPTPP, and shared that it was keeping in close communication with the proponent. It is currently undergoing internal consultations and feedback on both proposals would be provided intersessionally.

TRADE FACILITATION AND CONNECTIVITY

22. On the APEC Single Window Interoperability Action Plan, Chile informed members that the final volunteer economies were Chile, Korea, Peru and Singapore with New Zealand as an observer for the first phase. The participating economies have formed a technical

working group that met for the first time in February 2021 and agreed start work on exchanging the data/documents for export/import between the systems. Chile also circulated a proposal for the technology to use for the pilot project that would be discussed by the group. Chile noted that due to the pandemic, work has been slightly delayed. Co-proponent Peru noted that it is working on (i) its Single Window Platform for Foreign Trade Stage Two (VUCE 2.0), and (ii) the international interoperability of Single Windows in the Pacific Alliance.

23. China thanked CTI's endorsement of Asia Pacific Model E-ports Network (APMEN) 2021 Annual Work Plan. China noted that APMEN had 23 members from 13 APEC economies. China further shared that Xiamen E-port's trial to comprehensively apply the paperless trading system and optimize the operation process for both import and export in air freight logistics has turned out to be workable and could be replicated. The project report had been tabled at CTI for consideration and China encouraged members to engage in trials to realize automated data exchange among various trading systems and end-to-end air freight paperless procedure. Japan sought more information on the work on Air Freight Logistics.
24. China also welcomed feedback and support for its self-funded concept note, APMEN Workshop on Advancing Resilience of Logistics through Collaboration among E-Ports Response to Pandemic, to advance resilience of logistics in the context of COVID-19.¹⁰
25. China noted that the global economic recovery called for a more resilient and sustainable supply chain and that green supply chain would be even more relevant. Hence, China sought members' consideration and endorsement of the Terms of Reference for the APEC Green Supply Chain Network (GSCNET) as well as its 2021 Annual Work Plan.¹¹ China noted that annual events and joint research amongst pilot centers and expert group remain in the proposed agenda of the GSCNET. Some members requested for additional time for domestic consultation.
26. China updated that it is actively preparing the self-funded APEC Webinar on Stabilizing Supply Chain to Support Trade and Economic Recovery during/after the COVID-19 Pandemic. The webinar aims to share policies and cases in safeguarding trade flows in the pandemic, and discuss takeaways for joint efforts to stabilize supply chain. China will share more details on the webinar and welcomed members' participation.
27. Japan provided a progress update on the initiative "Utilizing digital technology in the field of trade facilitation under the current COVID-19 pandemic and beyond."¹² Japan plans to hold a series of workshops on 11 May 23 June, 28 July and 15 September 2021 which would touch on new digital technology utilization; applications and services; security and interoperability; and implementation and capacity. Japan invited members to nominate both speakers and participants for the workshops.
28. Japan and PSU provided an update on the Implementation of the Peer Review for PNG and Capacity Building for Viet Nam under the APEC Infrastructure Development and Investment for Viet Nam.¹³ The PSU provided an interim update (progress report) on the PNG Peer Review study focusing on key infrastructure areas such as roads, ports and airports. Capacity building needs have been identified. The PSU noted that the submission of draft final report is targeted for CTI2, with the final report for CTI3. PNG thanked

¹⁰ 2021/SOM1/CTI/010

¹¹ 2021/SOM1/CTI/011 & 2021/SOM1/CTI/012

¹² 2021/SOM1/CTI/013

¹³ 2021/SOM1/CTI/014 & 2021/SOM1/CTI/015

members and the PSU for their support during the project and expressed satisfaction at the report. It hoped that recommendations arising from the project could be taken up.

29. Korea and the PSU updated members on the initiative to Review Measures Facilitating Essential Movement of People Across Borders.¹⁴ PSU had reviewed and analysed APEC economies' policies on cross-border movement to contain the spread of COVID-19, and identified common and diverging elements. It looked at (i) economic impacts of border closures and economic outcomes associated with increased cross-border mobility; (ii) current APEC initiatives contributing to cross-border mobility in the region; and noted that further steps were needed to facilitate essential movement of people in a safe manner for improving preparedness for current and future crises. The draft report will be submitted for CTI2 and the final report for CTI3. Japan looked forward to the sharing of economies' measures on movement of people.
30. Russia noted that 14 economies had responded to its questionnaire for the initiative on "Enhancing Trade Policy Transparency in APEC: Tariff Policies". Russia noted that improving transparency and predictability in market access regulation, including through enhancing availability and accessibility of the information on tariff policies, could help to boost businesses' capacity to connect and participate in global trade. In this regard, the deadline for responses was extended to 15 March 2021. Given the information currently available, Russia noted that majority of APEC economics emphasized the importance of establishing more unified reporting system. An additional questionnaire was also being developed to get responses from ABAC and the business sector.
31. Singapore and the PSU updated on the next steps on the Final Review on Phase II of the Supply Chain Connectivity Framework Action Plan (SCFAPII) and called for volunteer case studies and welcomed views on the next phase of SCFAP.¹⁵ The inception/draft report for the final SCFAPII report was also tabled. The PSU noted the outcomes of the 2019 mid-term assessment and noted that COVID-19 had impacted supply chain connectivity. The final assessment is expected to be completed by the end of this year.

INCLUSION ISSUES

32. China updated its initiative on Promoting Inclusive Trade and Investment in Asia Pacific Region. There will be a seminar on Advancing Economic Inclusion through Trade and Investment, as well as a compilation of case studies on inclusive development among APEC economies. A key outcome of the seminar will be a summary report including policy recommendations that will be submitted to CTI. For the case study, China will invite experts to form a research group to collect cases and best practices. A concept paper will be circulated by end March 2021. The Philippines noted that it had organized inclusion work in 2015 during its host year and was therefore supportive of China's proposal.
33. China sought members' consideration and support for its self-funded project on APEC Cross Border E-commerce Training (CBET) Workshop II "Accelerating Digital Transformation toward Inclusive Growth – the COVID-19 Impact."¹⁶ China noted that the CBET II is a continuation of the 2019 CBET I workshop. The proposed second workshop, will be focused on how to leverage cross-border e-commerce in realizing an inclusive economic recovery and growth. Through the event, it is hoped that APEC could accelerate digital transformation in supporting COVID-19 response and recovery, enhancing the inclusiveness of trade and investment policies, and assisting MSMEs and women to integrate into the global value chain. China also brief the meeting the preparation of the

¹⁴ 2021/SOM1/CTI/016

¹⁵ 2021/SOM1/CTI/017 & 2021/SOM1/CTI/018

¹⁶ 2021/SOM1/CTI/019

main session of the 'Building Capacity in Promoting Inclusive and Responsible Business (IRB) for Sustainable Growth in Digital Society', which will take place in May. This event will facilitate member economies to share knowledge on IRB and advocate 'responsible business' in APEC. China will share more details on the webinar and welcomed members' participation.

UPDATE ON OTHER CTI INITIATIVES AND PROJECT

34. Peru presented the results of the study on its APEC Cross Cutting Principles on Non-Tariff Measure Promoting Transparency of TBT WTO Notifications: Improving Completeness and Clearness of Information initiative.¹⁷ Peru noted that while Specific Trade Concerns have fallen, it was not clear if concerns were finally addressed. Peru noted that the main concerns raised on NTMs were related to Transparency, Trade Restrictiveness and International Standards.
35. Peru updated members on its Initiative on Promoting Transparency of Technical Barriers to Trade (TBT) WTO Notifications: Improving Completeness and Clearness of Information.¹⁸ This involved seeking members' endorsement of the Terms of Reference for the study and endorsement of a concept note for an APEC-funded Public Private Dialogue. Peru noted that the intended activities would be the basis to develop best practices that could complement WTO guidelines and that the best practices would be used to explore capacity building opportunities to improve WTO notifications by APEC economies. The PPD is planned for SOM1/2022. The United States noted that the Sub Committee on Standards and Conformance (SCSC) should be more involved in this project given that SCSC would be better equipped in terms of their technical expertise. The Philippines noted that it was a co-sponsor to the proposal. The Philippines noted that the WTO TBT and SPS Agreements promoted regulatory cooperation and eased trade frictions. It demonstrated how members' notification of draft measures, harmonisation of measures with international standards, discussion of specific trade concerns and other practices help to facilitate global trade in goods. The Philippines looked forward to the conduct and completion of the study which would help APEC economies benefit further from the transparency and cooperation opportunities. Canada saw value in promoting transparency of TBT WTO notifications and express support for work that improved the completeness and clearness of information. Thailand expressed support and looked forward to the results of the study and the PPD.
36. Peru shared its plans for the Public-Private Dialogue (PPD) on Promoting Consumer Protection in the Dispute Resolution and Redress Mechanisms in E-Commerce.¹⁹ The initiative aimed to promote consumer's confidence in e-commerce by paving the way to develop and propose mechanisms that are fair, affordable, timely and efficient for consumer dispute resolution and redress, emphasizing self-regulatory mechanisms and good business practices, among other means. Peru noted that the results of the PPD, would form the basis for developing a set of voluntary recommendations to promote best practices in consumer dispute resolution in e-commerce. The Philippines welcomed the initiative seeing its relevance to businesses particularly in terms of promoting consumer confidence mechanisms to protect their rights.
37. The Philippines provided an update on (i) the Final Review of the Boracay Action Agenda (BAA) to Globalize MSME: Study Report and (ii) the Global MSME Forum.²⁰ The

¹⁷ 2021/SOM1/CTI/020

¹⁸ 2021/SOM1/CTI/021

¹⁹ 2021/SOM1/CTI/022

²⁰ 2021/SOM1/CTI/023

Philippines noted that since the last CTI meeting, it had finalized the Consolidated 2016-2020 BAA Stocktake which was noted by Senior Officials at CSOM/2020. The Philippines gave a preview of the final review of the BAA Study Report at the meeting. The Philippines noted that the draft report would be circulated to CTI and the SMEWG for comments and that the full report would be presented during the virtual APEC Global MSME Forum slated in June 2021. Chile noted that it could be useful to agree to an APEC-wide definition of MSMEs for the purposes of capturing data.

38. The United States shared that its proposal to hold two Digital Trade Policy Dialogues (TPDs) on the margins on SOM2 and SOM3 has been endorsed. The United States looked forward to furthering discussing digital trade issues with members at the two TPDs. Canada was of the opinion that digital trade issues are more relevant now than ever and expressed support for the initiative. New Zealand looked forward to ensuring that the TPDs continue to play an important role in building a shared understanding among APEC economies on how digital trade policy can empower people and businesses to participate and grow in an interconnected global economy. Japan expressed support for the TPDs, adding that it was a co-sponsor.
39. Chile welcomed China and Hong Kong, China as co-sponsors to the joint Chile-Canada proposal, The Role of Government Procurement in Responding to COVID-19.²¹ Following comments received it revised the proposal and modified the approach which focuses less on the economic recovery component, and more on identifying procurement strategies that economies have adopted in response to the pandemic. It noted that some economies may not yet be in a position to describe the specifics of their economic recovery plans and might be more able to describe the procurement actions they have undertaken during the pandemic. Hence this new approach seeks to be more balanced. In terms of next steps, A two-week deadline for comments to the new version was set for 17 March 2021. Once the proposal is endorsed, Chile planned to develop a questionnaire. The timeline for the webinar is expected to take place in the second half of 2021. Thailand expressed support for the proposal and looked forward to providing input in the survey stage.

UPDATES FROM ABAC & OBSERVERS

40. The ASEAN Secretariat shared updated the meeting of the memorandum of understanding (MoU) that was signed in November 2020 by the ASEAN Economic Ministers aimed at ensuring smooth flow of essential goods and prevent supplies disruption during the COVID-19 pandemic. The ASEAN Secretariat noted that the MoU commits ASEAN members to (i) refrain from imposing restrictive trade measures on essential goods and supplies except for public health emergencies and (ii) to unilaterally rollback all non-tariff measures on essential goods that are not in conformity with the WTO Agreements. The ASEAN Secretariat shared that in addition to the MoU's list of 152 essential goods, consisting mostly of medical goods such as test kits and equipment, discussions are ongoing to expand the list to include food and agricultural products.
41. The PECC provided an update on the PECC work. The PECC updated that its Standing Committee had approved a project for a primer on economic integration issues posed by the digital economy. Other issues PECC were looking at included reform to the MTS, Climate Change, Intellectual Property, trade policy issues including Services. On Climate Change, PECC was looking at the nexus between climate change regime and its interface with trade policy rules.

²¹ 2021/SOM1/CTI/024

UPDATES FROM SUB-FORA CONVENOR / CHAIR AND ENDORSEMENT OF CTI SUB-FORA CONVENORS/ CHAIRS REPORTS

42. The Sub-Committee on Customs Procedures (SCCP) Convenor presented her report. CTI took note of SCCP's ongoing work including discussions on a Best Practice Guidelines on APEC Economies' Supply Chain to Facilitate the Distribution of COVID-19 Vaccines and Related Goods expected as a key deliverable from SCCP 2021.
43. CTI took note of the Investment Experts Group (IEG) Convenor's report, which included Phase V of the Investment Facilitation Action Plan (IFAP) (2021-2023). Among its guests for the meeting were the OECD, WEF and UNCITRAL.
44. Members endorsed all 11 sub-fora Convenors/Chairs' reports.

ANY OTHER BUSINESS (AOB)

45. No AOB matters were raised.

SECRETARIAT UPDATE

Project Update

46. The APEC Secretariat briefed members on APEC project management and other administrative issues.²² The deadlines for project session 1 were presented.

CTI and sub-fora Assessment

47. The APEC Secretariat recirculated the 2019 agreed sub-fora assessment documents including methodology²³, the template for the qualitative survey of sub-fora²⁴ and the report template²⁵ for members' awareness, noting that the CTI sub-fora are in the process of self-assessment. Prior to SOM3, the Secretariat will consolidate all 21 economy responses and will submit the CTI's recommendations on extending CTI sub-fora mandates to Senior Officials. SOMs are expected to take a decision at SOM3. Where mandates have been extended, sub-fora will then seek CTI's endorsement of their updated Terms of Reference.

Process for the selection of the next CTI Chair (2022-23)

48. The Secretariat informed the meeting that a document would be circulated on the process for selecting a new CTI Chair for 2022-23. The document will be similar to the one CTI endorsed in 2019. Once the process has been endorsed, CTI will follow the timelines therein.

Items for noting

49. The APEC Secretariat thanked members for using the Items for Noting Document and encouraged them to continue to do so to. The Items for Noting Document²⁶ was endorsed by CTI.

²² 2021/SOM1/CTI/036

²³ 2021/SOM1/CTI/037

²⁴ 2021/SOM1/CTI/038

²⁵ 2021/SOM1/CTI/039

²⁶ 2021/SOM1/CTI/040

Document Classification

50. The document classification was circulated for members' consideration and endorsement.

SUMMARY AND CONCLUSION

51. The CTI Chair closed the meeting by thanking CTI members for their active participation.
