



**Asia-Pacific  
Economic Cooperation**

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**2021/SOM3/CTI/010**

Agenda Item: VI iv

## **Group on Services Convenor's Report**

Purpose: Information  
Submitted by: GOS Convenor



**Third Committee on Trade and Investment  
Meeting  
24-26 August 2021**

## GOS CONVENOR'S SUMMARY REPORT TO CTI 3 2021

### 1. During 2021, how has the forum's work contributed to CTI's objectives of:

#### a. Support for the Multilateral Trading System

- GOS members discussed a proposed Statement of the APEC Group on Services Encouraging Completion of the WTO Joint Initiative on Services Domestic Regulation. A first draft circulated prior to the meeting was discussed at GOS2 (Aug 2021) and will be refined before seeking endorsement.
- GOS' continuous work on the domestic regulation of services under the "final push in services" and the US as champion economy supported the WTO negotiations on services domestic regulation.

#### b. Regional Economic Integration, including taking forward the Putrajaya Vision 2040 and contributing to the development of the Implementation Plan in 2021

- The *APEC Services Competitiveness Roadmap (ASCR) Mid Term Review (MTR)* report undertaken by the PSU is in the finalization stage. A draft of a summary report to Ministers/Leaders (TBD), including a set of recommendations, drawing on the PSU's report on the ASCR MTR; a research study developed by ABAC; and the GOS Trade Policy Dialogue held during SOM2, is being discussed and will be presented by the Convenor to Senior Officials post SOM3 for the consideration of Ministers/Leaders in November.
- GOS continues to implement 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 were provided to the CTI in March 2021.
- The GOS supported the cross-border provision of financial services through a series of four workshops organised as part of the project "APEC Financial Services – Increasing APEC's fintech and regtech capabilities post-COVID-19".

#### c. Trade Facilitation and Connectivity

- A GOS Trade Policy Dialogue was held in the margins of SOM2 in the context of the ASCR Mid Term Review. The event allowed to exchange views with relevant stakeholders in the field of services trade and relevant actors from the private sector.
- 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 seeks to develop an APEC Index to measure the regulatory environment in services trade in order to facilitate services trade in the APEC region.
- Chinese Taipei is planning to organize a Private Public Dialogue (PPD) on Digitally Enabled Services: Challenges and Opportunities

#### **d. Inclusion**

- GOS collaborated with PPWE by providing inputs to monitor the implementation of the “La Serena Roadmap on Women and Inclusive Growth” in June 2021.
- Japan is planning to hold a "Workshop on Promoting Trade in Services by SMEs and Women Entrepreneurs" in October 2021.

#### **e. Any other issues**

- GOS members discussed the Assessment Report provided by the CTI with a view to improve the way the group works and the endorsement of the Terms of Reference (TOR). Members highlighted the usefulness of the GOS Trade Policy Dialogue held during SOM2 and some economies supported the idea of holding a similar event annually at the margins of SOM2 to engage with relevant stakeholders from industry and other APEC fora progressing services initiatives as an useful process to keep momentum on GOS’ work throughout the year.

### **2. How has the forum helped to fulfil the mandate of the [2021 Ministers Responsible for Trade Statement](#) & [2020 Declaration on Facilitating the Movement of Essential Goods by the MRT](#) (see Appendix B)**

- GOS members discussed a non-paper circulated by Canada, New Zealand and Singapore with the aim of identifying environmentally related services across services sectors, in response to the corresponding task included in the MRT statement from June 2021. The document proposes that economies develop a reference list of environmentally related services (non-binding, non-exhaustive, developed for reference purposes and open for future review at a time to be determined by the membership). A dedicated meeting will be organized for further discussion.
- Australia proposed to implement a self-funded capacity building project in response to the task of implementing the APEC MRT Statement on Services to Support the Movement of Essential Goods. The objective will be to provide an evidence based assessment of the physical and economic impact services restrictions have in the movement of essential goods to assist the region in increasing existing levels of openness for services, especially in regional supply chains. Outputs of the project will be a state of the region survey on essential goods to assess the physical and economic impact of services restrictions, as well as a series of workshops and a trade policy dialogue with government, industry and NGO representatives, with the goal of developing a set of non-binding guidelines for the treatment of services that support the movement of essential goods.

### **3. Main outcomes from most recent plenary meeting**

- GOS members noted progress of the *APEC Services Competitiveness Roadmap (ASCR) Mid Term Review (MTR)* report undertaken by the PSU, which is in the finalization stage. A draft summary report, including recommendations drawn from the ASCR MTR; a research study provided by ABAC; and a GOS Trade Policy Dialogue held during SOM2, is being discussed and will be settled over the next 6 to 9 weeks and presented by the Convenor to Senior Officials for the consideration of Ministers/Leaders.
- GOS has provided a timely response to specific tasks included in MRT statements in relation to Environmental Services and Services to Support the Movement of Essential Goods.
- GOS noted written updates from champion economies in the “final push” on services:
  - Domestic Regulation of Services (United States): 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” was implemented. A related study was completed for publication and a workshop was organized on 17 August.
- APEC Index: A dedicated website was created and launched in June 2021 to disseminate the results of the Pilot Program. This work stream to develop an APEC Index to measure the regulatory environment of services trade in APEC has not further progressed in 2021 since no economy has volunteered to take the lead on future work. The GOS Convenor has noted that finding an economy(s) to take the lead on progressing this initiative is a priority issue for 2021.
  - Mutual Recognition of Qualifications and Skills (Australia): An APEC Inventory of Mutual Recognition Agreements for Professional Qualifications was developed and website launched by the Australian APEC Study Centre in collaboration with APEC economies. Also, a workshop focused on the development of high-level guidance for implementing and increasing the use of digital credentials in recognition practice was held in June 2021.
  - Environmental Services (New Zealand): the study research for the project “Advancing the APEC Environmental Services Agenda: Future Directions” was published on the APEC website. The next steps for the environmental services work stream have been taken up through the MRT Statement negotiations and through a non-paper that was co-proposed by Canada, New Zealand and Singapore.
  - Manufacturing–related services (Malaysia): Plans were announced to hold a self-funded workshop on MRS and a related concept note will be circulated to members.
  - GOS members provided written updates on the implementation of the following projects:
    - United States’ self-funded project “Negative List Scheduling in Services Negotiations – Scheduling services commitments in key sectors”: implementation expected in the second half of 2021 or early 2022.
    - Chinese Taipei’s project “Private Public Dialogue (PPD) on Digitally Enabled Services: Challenges and Opportunities”. Planned for September 2021, currently under Quality Assessment stage at the APEC Secretariat.
    - Japan’s project “Workshop on Promoting Trade in Services by SMEs and Women”: planned for October 2021, currently under Quality Assessment stage at the APEC Secretariat.
    - Indonesia’s project “Workshop on APEC Best Practices on Developing Services-related Statistics in Mode 3”: the event was successfully held in June.
    - Australia’s self-funded project “APEC Financial Services — Increasing APEC’s fintech and regtech capabilities post COVID-19”: Four digital seminars highlighting regulatory best practices and offerings were organized and a heat map which identifies existing capabilities and initiatives across APEC looking out to 2040 (megatrends) will be presented.
    - Malaysia’s self-funded project “APEC Technologists & Technicians Register”: Malaysia decided not to proceed with the self-funded project due to the impact of COVID-19.
    - New Zealand update on the outcome of the “Workshop on Services and the Food System” held in April 2021.

#### **4. Private sector engagement in 2021**

- A Trade Policy Dialogue was organized in the margins of SOM2 2021 to discuss progress and initial findings of the ASCR MTR. APEC fora responsible for progressing initiatives under the ASCR, including ABAC and other external stakeholders participated in the event.
- GOS Convenor participated in the first meeting of ABAC’s Services Taskforce on 15 March 2021.

- ABAC contributed to the ASCR MTR in May 2021 through research and a substantial ABAC report with 40 recommendations and eight new proposed initiatives for consideration (the report was prepared for ABAC by Jane Drake Brockman).
- ABAC representatives provided updates on GOS 1 & 2 plenary meetings in 2021. ABAC's Services Task Force representative attended the GOS 2 2021 meeting.

#### **5. Cross-fora collaboration in 2021**

- The ASCR Mid-term Review report developed by the PSU received comments and suggestions from economies in the 14 relevant APEC sub-fora.
- GOS-PPFS: GOS members were invited to PPFS "Workshop on Services and the Food System" on 13-16 April.
- GOS-PPWE: GOS provided inputs in contribution to the La Serena roadmap implementation plan
- GOS-SME: GOS members were invited to attend the "APEC Workshop on Opportunities and Challenges for Retail SMEs in the Internet and Digital Economy" on 6-7 August (SME 02 2019A)

#### **6. Was quorum<sup>1</sup> reached at the most recent plenary meeting?**

- All 21 APEC economies attended both the GOS1 and GOS2 2021 meetings.

#### **7. Taking into consideration the forum's Assessment Report, what is your Forum doing to maintain/increase its relevance to APEC member economies and increase participation from its members?**

- ABAC was invited to provide updates to GOS members during plenary meeting, which helps to strengthen the relationship with ABAC Services Task Force and include the views of the private sector in the GOS agenda.
- The virtual format of APEC meetings allows more economies, observers and guests to attend.
- Consideration of the inclusion of an event annually at the margins of SOM2 with industry stakeholders or other APEC fora progressing services initiatives or with both industry and APEC fora (Convenor to start a process to for GOS members to discuss and settle most appropriate process).

#### **8. Decision points needed from CTI**

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

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<sup>1</sup> Quorum requires 14 economies or more. Quorum is measured by member economies (not including private sector) participating. Remote participation is counted.

## **APPENDIX A**

### **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 12<sup>th</sup> 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

## **APPENDIX B**

Extracts from 2021 Ministers Responsible for Trade Statement & the 2020 Declaration on Facilitating the Movement of Essential Goods by the MRT

### **Facilitating the Movement of Essential Goods**

#### **Export Restrictions and Prohibitions**

- Each APEC economy will ensure that any emergency trade measures designed to tackle COVID-19 are consistent with WTO rules.
- Each APEC economy will ensure that any trade measure introduced in response to COVID-19 is notified in accordance with relevant WTO obligations.

#### **Non-Tariff Barriers**

- APEC economies are encouraged to work together to identify and resolve any unnecessary barriers to trade in essential goods.

#### **Trade Facilitation**

- Each APEC economy, consistent with its obligations under the WTO Agreement on Trade Facilitation, should expedite and facilitate the flow and transit of essential goods.
- APEC economies remain committed to enhance coordination, efficiency and transparency of the border clearance of essential goods, and full implementation of the WTO Agreement on Trade Facilitation, to help facilitate trade.
- Each APEC economy should endeavour to expedite the release of essential goods upon arrival, including adopting or maintaining procedures allowing for submission of import documentation and other required information, such as manifests, in order to begin processing prior to the arrival of goods.
- Each APEC economy will endeavour to facilitate the entry, transit and departure of air cargo containing essential medical supplies.
- APEC economies are expected to abide by the International Health Regulations (IHR) (2005)

#### **Tariffs**

- APEC economies take note of ABAC's recommendation for economies to take tariff liberalisation measures for essential medical supplies

## APEC Ministers Responsible for Trade Meeting Joint Statement 2021

### Medical supplies:

Today, we are pleased to announce a standalone statement on COVID-19 Vaccine Supply Chains (Annex 1), which outlines our approach to ensuring the trading environment supports the safe and efficient distribution of COVID-19 vaccines and related goods. We welcome the *Best Practice Guidelines for APEC Customs Administrations* as an operational and practical contribution to help facilitate the distribution of COVID-19 vaccines and related goods. To continue APEC's strong work in responding to the challenges of COVID-19, APEC economies will also agree to consider how to facilitate trade in medical supplies such as those included in the World Customs Organization (WCO) COVID-19 list,<sup>2</sup> and report to us before our APEC Ministerial Meeting in November.

### Digital:

... we will accelerate implementation of the WTO Trade Facilitation Agreement, particularly those articles relating to: the accelerated use of digitalisation for border processes; pre-arrival processing of electronic declarations; electronic documents, electronic certification, electronic payments; expedited shipments; and border agency cooperation.... We agree to embed digital trade facilitation measures taken by APEC members during COVID-19. We task officials to report on progress when we meet again at the APEC Ministerial Meeting in November

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<sup>2</sup> [World Customs Organization: HS classification reference for Covid-19 medical supplies](#)



## APEC MRT Statement on COVID-19 Vaccine Supply Chains (Annex 1)

### Vaccines statement: Review Mechanism:

The APEC Secretariat will make a summary report on the actions implemented by economies under this initiative by the APEC Ministerial Meeting in November 2021

- use the WCO-WHO list of COVID-19 vaccines and related goods as a reference for facilitating trade. APEC economies will expedite the flow and transit of all COVID-19 vaccines and related goods through their air, sea and land ports. We will expedite their release upon arrival, including by providing for advance electronic submission and processing of information to enable immediate release upon arrival.
- advance the implementation of the *Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods*. We agree to embed the trade facilitation measures implemented during the pandemic, including digitising customs procedures, expediting the flow of goods across borders, and boosting coordination between traders and border agencies.
- While WTO rules permit export restrictions or prohibitions in certain circumstances, we emphasise economies who adopt such measures with respect to COVID-19 vaccines and related goods will evaluate their ongoing necessity as COVID-19 conditions change, in order to ensure they remain targeted, proportional, transparent, temporary, and do not create unnecessary barriers to trade.
- We will consider voluntary actions to reduce the cost of these products for our people, particularly by encouraging each economy to review its own charges levied at the border on COVID-19 vaccines and related goods.
- We will take appropriate measures to prevent criminal exploitation of supply chains and to prevent the entry and import of illegal, dangerous, sub-standard or counterfeit COVID-19 vaccines and related goods. This could include further implementing the *APEC Roadmap to Promote Global Medical Product Quality and Supply Chain Security and related toolkit*.