



**Asia-Pacific  
Economic Cooperation**

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**2021/SOM3/CTI/011**  
Agenda Item: VI v

## **Market Access Group Convenor's Report**

Purpose: Information  
Submitted by: MAG Convenor



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

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

### 1. During 2021, how has the forum's work contributed 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

MAG contributed to CTI's objectives with respective work updated as follows:

##### (i) WTO Trade Facilitation Agreement (TFA)

- All APEC member economies have ratified the WTO TFA and notified their Category A, B and C commitments. As agreed by CTI in May 2021, member economies are encouraged to continue updating their implementation status on the "Table Monitoring APEC Economies' Implementation of the WTO TFA" by directing subsequent updates to the MAG Convenor and the APEC Secretariat.
- The United States provided updates on the implementation of projects on Capacity Building and Technical Assistance to Implement Programmes related to WTO Trade Facilitation Agreement Article 1: Publication and Availability of Information – Phase 2; Article 3: Advance Rulings – Phase 3; and Article 8: Border Agency Cooperation as follows:

Article 1 (Publication and Availability of Information): – Under Article 1, member economies are required to publish trade related information to create a transparent and a predictable trade environment. Phase 2 of the project was launched in 2019 and would provide technical assistance and training for developing member economies to implement the Article 1 obligations. A project had been conducted to assist Peru to analyse the publication of trade-related information. The corresponding report, entitled "Trade Facilitation – Transparency in Peru: Comparative Best Practices and Recommendations", was endorsed on 19 April 2021.

Article 3 (Advance Rulings): – Regarding the implementation of Article 3 on advanced rulings, Phase 3 of the project was launched in 2019. The United States held a one-day workshop on advanced rulings best practices in February 2020 in Putrajaya, Malaysia. The workshop focused on advanced ruling systems and the ways member economies can make those systems more user-friendly, efficient and transparent. The summary report of the workshop was endorsed on 18 March 2021.

Article 8 (Border Agency Cooperation): A workshop on "Border Agency Cooperation – WTO TFA Article 8" was held on 11 August 2021 to share best practices of domestic and international border agency cooperation with a view to improving the efficiency, predictability and transparency of border clearance procedures.

**(ii) WTO Information Technology Agreement ITA and ITA Expansion**

- MAG noted the importance of the WTO Information Technology Agreement (ITA) and the ITA Expansion, and encouraged member economies who had not yet joined the ITA and the ITA Expansion to consider doing so.

**(iii) Implementation of the APEC List of Environmental Goods (EG List)**

- Chile informed that the bill to implement the EG List commitments was under legislative procedures in the Congress.
- Thailand informed that the proposal to reduce tariffs on remaining environmental goods under the EG List was under consideration by the Ministry of Finance.
- All other member economies had fully implemented their tariff reductions for the 54 products on the EG List.

**(iv) Updating the APEC List of Environmental Goods (EG List) in Harmonized System (HS) Codes at Six-Digit Level**

- Member economies exchanged views on the updated common EG List in HS2017, and discussed the two proposed decision points of (i) for each economy to, on a voluntary basis, update their individual environmental goods implementation plans using the list in HS2017 as a reference point by November 2021; and (ii) for MAG to continue this work into the next phase of transposing the list from HS2017 to HS2022. The updated EG List in HS2017 and the two decision points were endorsed by MAG intersessionally on 16 August 2021.
- Australia provided updates on the “Scoping Study on New and Emerging Environmental Goods”. The study has attempted to research new and emerging goods that support global sustainability, focusing on climate change mitigating technologies that contribute to emissions reduction, and outline the current landscape for trade in these new and emerging environmental goods. The draft study report would be circulated in August 2021 and a corresponding workshop would be held in September 2021.

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

**(i) APEC Trade Repository (APEC TR)**

- The Philippines updated on the usage of the APEC TR from 16 February 2021 to 31 July 2021, which accounted for 3 537 users, 4 073 sessions and 7 050 page views.
- Indonesia provided updates on the Concept Note on “Study on Strategy to Promote the Utilisation of the APEC Trade Repository” which was approved in principle in

Project Session 1, 2021. The project had been submitted to the PMU for quality assessment.

**(ii) Study on Tariffs**

- Hong Kong, China and APEC's Policy Support Unit provided updates on the analysis of the RCEP tariff liberalization schedules, a continuation of the study on tariffs released in 2019 as part of the FTAAP Work Programme on Tariffs. Draft study report would be circulated after SOM3 to member economies for comments.

**c. Trade Facilitation and Connectivity**

**(i) Supply Chain Connectivity Framework Action Plan Phase II (SCFAP II)**

- Singapore provided updates on the Final Review of the Supply Chain Framework Action Plan Phase II (SCFAP). Draft final review would be circulated by CTI3 seeking final endorsement by CSOM.

**(ii) The 13th APEC Alliance for Supply Chain Connectivity (A2C2)**

- The United States provided updates on the 13th APEC Alliance for Supply Chain Connectivity (A2C2) to be held on the 18th August 2021. The upcoming A2C2 would focus on permanent supply chain reform as a positive outcome of COVID as well as emerging simplified procedure for low value shipments.

**(iii) APEC Pathfinder for Self-certification of Origin**

- The United States provided updates on the APEC Pathfinder for Self-Certification of Origin which started in 2009 and sought to reduce the administrative burdens and costs associated with complex rules of origin documentation and procedures. The United States had completed an informal review of Free Trade Agreements (FTAs) of APEC member economies, and the analysis showed that both pathfinder and non-pathfinder economies had adopted self-certification of origin through FTAs or other ways. The United States would therefore prepare a summary on its findings with its proposal to close this Pathfinder and provide updates to MAG and CTI in due course.

**(iv) APEC Pathfinder for Facilitating Trade in Remanufactured Goods**

- The United States provided updates on the APEC Pathfinder on Facilitating Trade in Remanufactured Goods, the "Workshop on Trade of Refurbished Medical Devices in APEC" and the self-funded project Study: Trade of Remanufactured Goods in APEC. Between 2011 and 2018, APEC had promoted remanufactured goods including through pathfinder and related workshops. The study found that importation of refurbished medical devices had been heavily regulated or even banned. The draft study report would be shared with member economies shortly and the related workshop would take place in the first half of October 2021.

- MAG noted the implementation of the APEC Pathfinder for Facilitating Trade in Remanufactured Goods and encouraged members who had not yet joined the Pathfinder to consider doing so.

**d. Inclusion**

Nil.

**e. Any other issues**

Nil.

**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)**

The 2021 Ministers Responsible for Trade Statement instructed officials to review the implementation of the EG List in contributing to green growth, addressing climate change and securing sustainable economic development objectives, and to update the EG List in terms of HS tariff classifications for reference purposes by the APEC Ministerial Meeting in November. CTI directed MAG to take forward the work on HS code transposition of the EG List. Three rounds of informal/ad hoc group discussions (29 June, 29 July and 10 August) took place to discuss the work in detail. On 16 August 2021, MAG endorsed the updated APEC List of Environmental Goods in HS2017, as well as two decision points to take forward the work on this issue, namely –

- (i) Each economy to, on a voluntary basis, update their individual environmental goods implementation plans using the list in HS2017 as a reference point by November 2021, if they have not already done so; and
- (ii) For MAG to continue this work into the next phase of transposing the list from HS2017 to HS2022.

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

- Reached consensus on the updated EG List in HS2017 as well as the two decision points to take forward the work on this issue;
- Updates on Capacity Building and Technical Assistance to Implement Programs related to WTO Trade Facilitation Agreement Article 1: Publication and Availability of Information – Phase 2; Article 3 (Advance Rulings) – Phase 3; Article 8 (Border Agency Cooperation);
- Updates on the “Scoping Study on New and Emerging Environmental Goods”;
- Updates on the usage information of the APEC TR;
- Updates on the “Study on Strategy to Promote the Utilisation of the APEC TR”;
- Updates on the “Study on Tariffs – Analysis of the Regional Comprehensive Economic Partnership (RCEP) Tariff Liberalisation Schedules”;
- Updates on the SCFAP II;

- Updates on the 13<sup>th</sup> Meeting of the A2C2;
- Updates on the “APEC Pathfinder for Self-Certification of Origin”;
- Updates on the Pathfinder for Facilitating Trade in Remanufactured Goods, including the “Study on Trade of Remanufacture Goods in APEC” and the “Workshop on Trade of Refurbished Medical Devices in APEC”.

**4. Private sector engagement in 2021**

ABAC provide updates on issues in relation to market access, environmental goods and trade facilitation on their 3rd ABAC meeting at MAG2.

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

Nil

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

The quorum was met with 21 member economies participated in MAG2.

**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?**

Continue discussing significant issues such as tariffs, non-tariff barriers and trade facilitation in addition to timely theme such as COVID-related topic to maintain interests of APEC member economies.

**8. Decision points needed from CTI**

Seek CTI’s endorsement of MAG Convenor’s Report.

**9. Other issues**

MAG updated and endorsed the MAG Terms of Reference (TOR) which was submitted to the CTI on 20 July 2021.

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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*.