



**Asia-Pacific
Economic Cooperation**

2021/SOM3/CTI/016
Agenda Item: VI ix 1

Chemical Dialogue Convenor's Report

Purpose: Information
Submitted by: CD Convenor



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

CHEMICAL DIALOGUE 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

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

- The CD will continue its efforts to address marine debris including work to examine and overcome barriers to investment in waste management infrastructure that would support a more circular economy.
- The CD will look to support CTI efforts on sustainable materials management policy and help APEC economies identify and frame domestic policies that promote waste management and recycling (WMR) infrastructure, addressing barriers to trade and increasing markets for sustainable materials.

c. Trade Facilitation and Connectivity

- The CD built on the outcomes of the 2020 Regulatory Cooperation Report by drafting an APEC CD Regulatory Cooperation Checklist that can be used by economies seeking to promote regulatory cooperation efforts, regardless of their stage of development.
- The CD will continue its capacity building work on risk assessments, often a key regulatory activity for chemical regulators that can either facilitate or inhibit trade.
- The CD will continue work to promote more consistent international implementation of the Globally Harmonized System for the Classification and Labeling of Chemicals ("GHS"). The GHS is an UN-developed system that was designed to promote a globally harmonized approach for all chemical labeling. The CD has revised the GHS comparison report and convergence recommendations to consider recent developments and will develop additional capacity building efforts to help APEC economies address GHS divergences.
- The CD will continue work to support the implementation of Good Regulatory Practices in the chemical sector.

d. Inclusion

e. Any other issues

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)

- CD leverages public-private collaboration to address pressing public policy and economic challenges. Through that collaboration, industry and governments can find, develop, and

deploy innovative, sustainable solutions that both raise standards of protection for human health, safety, and the environment and facilitate trade and investment in the Asia-Pacific region.

- The CD's agenda contains important initiatives aligned to the 2021 MRT Statement and 2020 Declaration through:
 - Preventing barriers to trade in chemicals through promoting regulatory cooperation and implementation of good regulatory practices;
 - Aligning government and industry implementation of the UN Globally Harmonized System of Classification and Labelling of Chemicals (GHS); and
 - Building capacity on risk assessment for chemical substances. The CD aims to facilitate trade and raise the standard of sound management of chemicals by expanding and supporting regulatory cooperation and regulatory alignment in the region.
 - Facilitating the flow of critical inputs for essential goods to combat COVID-19. For example, the CD organized a discussion and shared relevant information on how industry is providing critical inputs for medical care products, sanitation, and good hygiene (e.g. protective equipment, medical equipment, and cleaning and disinfecting supplies) and allowed member economies to share information on efforts to accelerate the development and distribution of essential products to fight the COVID-19 pandemic.

3. Main outcomes from most recent plenary meeting

- The 27th Chemical Dialogue took place virtually from 10-12 August, 2021.
- The CD welcomed proposed work from subgroups on regulatory cooperation, GHS, data exchange, marine debris and advanced recycling.
 - This included encouraging feedback and endorsement of the APEC Regulatory Cooperation Checklist;
 - Endorsement of the 2021 GHS Survey and the Executive Summary of the GHS Recommendations; and
 - Welcoming the outcomes of the two risk assessment capacity building virtual workshops;

4. Private sector engagement in 2021

- The CD is one of APEC's three industry dialogues and, as such, the private sector is institutionally involved in every aspect of the CD's work.
- The CD private sector stakeholders drafted a letter to the Chair of the CTI titled "The Chemical Industry Calls for Continuance of the APEC Chemical Dialogue to Address Trade Challenges and Find Innovative Solutions."
- Industry has a formal role in the CD meetings and each economy is encouraged to ensure at least one industry delegate is represented at the meeting.
- Additionally, an industry representative serves as the Industry Co-Chair of the CD and Industry representatives serve as co-chairs of each of the CD's Virtual Working Groups – including the Virtual Working on Regulatory Cooperation and Convergence; Virtual Working Group on GHS; Virtual Working Group on Data Exchange, and Virtual Working Group on Marine Debris.

5. Cross-fora collaboration in 2021

- The CD regularly engages in cross-fora collaboration including work with the OFWG on marine debris, work with PPSTI on circular economy, work with CTI on recyclable materials policy, , work with the SCSC on regulatory cooperation and Good Regulatory Practice, and work with the SCCP on customs practices for chemicals.

6. Was quorum¹ reached at the most recent plenary meeting?

- Quorum was reached at the last Chemical Dialogue (CD27). 19 economies participated in the Regulators Forum and Chemical Dialogue Plenary.

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?

- Updating the CD's webpage on the APEC home page to identify recent accomplishments and upcoming workstreams to be used as a marketing tool to promote participation.
- Organizing a series of capacity building events on both regulatory cooperation efforts and risk assessments.
- Engaging additional participants through virtual/online participation in CD activities and in the four CD virtual working groups (VWGs).

8. Decision points needed from CTI

- Seek CTI's endorsement of the Chemical Dialogue's Convenor's Report.
- Take note of the letter to the Chair of the CTI titled "The Chemical Industry Calls for Continuance of the APEC Chemical Dialogue to Address Trade Challenges and Find Innovative Solutions."
- Note the intention of the CD to include the Executive Summary of the Report to AMM on Implementation Convergence of the GHS in APEC Economies Report with the CTI report to Ministers.

¹ 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 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

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,² 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

² [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*.