



**Asia-Pacific  
Economic Cooperation**

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**2021/SOM3/CTI/018**

Agenda Item: VI xi

## **Digital Economy Steering Group Convenor Report**

Purpose: Information  
Submitted by: DESG Convenor



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

**DESG CHAIR'S SUMMARY REPORT TO CTI 3 2021**  
**ON E-COMMERCE AND TRADE-RELATED DIGITAL ECONOMY ISSUES**

In line with 2018 CSOM recommendations, the DESG preserves the functions of the former Electronic Commerce Steering Group (ECSG) and continues to report to the CTI on matters of the ECSG's work programme on e-commerce and trade-related digital economy issues.

*NOTE: For matters related to the implementation of the APEC Internet and Digital Economy Roadmap (AIDER), the DESG reports to the SOM.*

**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**

- Survey on E-Commerce Regulations in APEC, **Singapore**. This database of information, which is available to the public on the APEC Trade Repository, facilitates the transparency of economies' domestic regulations and approaches on e-commerce.

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

- Ongoing work on the Cross-Border Privacy Rules (CBPR) and Privacy Recognition for Processors (PRP) Systems which promote interoperability between different data privacy regulations to facilitate trade and build trust in e-commerce
  - Re-certification of 2 Accountability Agents (AA): Korea Internet and Security Agency (KISA) as a CBPR AA for Korea, and NCC Group as a CBPR & PRP AA for the United States
  - Certification of Institute for Information Industry (III) as a CBPR AA for Chinese Taipei

**c. Trade Facilitation and Connectivity**

- Promoting regulatory cooperation through the Cross Border Privacy Enforcement Arrangement (CPEA) and the CBPR System
- In March 2021, DESG Data Privacy Subgroup (DPS) members issued a joint statement on data privacy in the context of the COVID-19 pandemic
- Study "Review of APEC CBPR System", **Japan and PSU**
- Comparative study on best practices to detect and avoid unintended biases in Artificial Intelligence systems, **Chile**

**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)**

- Member economies provided updates to the Survey on E-Commerce Regulations in APEC

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

*Please provide in list format*

Key outcomes of the DESG DPS 43 meeting on 9-10 August:

Members noted:

- Intersessionally endorsed documents:
  - 42<sup>nd</sup> DPS meeting report
  - DPS 2021 Work Plan
  - DPS Statement on COVID-19
- Report from CBPR Joint Oversight Panel Chair (United States)
- Updates from existing CBPR economy participants: Australia; Japan; Korea; the Philippines; Singapore; Chinese Taipei; the United States
- Update from the Administration and Accountability Study Group (United States)
- Update of CPEA participation by member economies (CPEA Administrator – United States)
- Update on the project “Comparative study on best practices to detect and avoid unintended biases in Artificial Intelligence systems” by Chile
- Updates on Information Privacy Individual Action Plans by: Australia; New Zealand; the United States
- Updates on data privacy developments from member economies: Australia; Canada; Chile; Hong Kong, China; Japan; Korea; New Zealand; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States
- Guests’ report on relevant data privacy developments by: Center for Information Policy Leadership (CIPL), BSA The Software Alliance, World Trustmark and Trade Alliance (WTA)
- Report on data privacy developments in: NIST Privacy Framework, Global Privacy Enforcement Network, Asia Pacific Privacy Authorities, OECD.

Members discussed:

- Possible ways to make Data Privacy IAPs more useful, for example, by creating a comparison table or matrix to identify similarities or gaps.

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

*Please provide a list of private sector engagement(s) in 2021*

- The DESG 2 2021 virtual meetings were attended by representatives of Apple, Facebook, and TMG Telecom.

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

*Please provide a list of cross-fora collaboration in 2021*

- DESG DPS 43 meeting actively engaged experts from the Center for Information Policy Leadership (CIPL), BSA The Software Alliance, World Trustmark and Trade Alliance (WTA).

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

*Please advise how many economies participated in the most recent plenary meeting.*

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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.

- The DESG 2 2021 Plenary virtual meeting on 11-12 August was attended by all 21 APEC member economies.

**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?**

*Please provide a brief list of planned efforts to increase participation from members*

- Open invitation to all member economies to participate in the work of the small voluntary working groups such as the Accountability and Administration Study Group (AASG) and the Study Group on data portability
- Further discussion about the development of the CBPR system within the DPS
- Consideration of further areas of work in the Privacy Framework
- Submitting and updating Information Privacy IAPs, and consideration of possible ways to make IAPs more useful
- Incorporating a link to the APEC Survey on E-Commerce Regulations on the APEC DESG website, under the 'Resources' section

**8. Decision points needed from CTI**

- Seek CTI's endorsement of the DESG Chair's Report on E-Commerce and Trade-Related Digital Economy Issues.

## **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*.