



**Asia-Pacific
Economic Cooperation**

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Summary Report - Fourteenth APEC Alliance for Supply Chain Connectivity Meeting 2022



**Fourteenth APEC Alliance for Supply Chain
Connectivity Meeting
7 October 2022**

Summary of the 14th Meeting of the APEC Alliance for Supply Chain Connectivity
Oct 6/7, 2022
Webex Event

The United States virtually hosted the 14th Meeting of the APEC Alliance for Supply Chain Connectivity (A2C2) on October 6, 2022. This public private dialogue was an opportunity to engage with stakeholders from all economies in the region on APEC's recently endorsed Supply Chain Framework Action Plan III (SCFAP III). The SCFAP III approved five priority chokepoints to focus APEC work from 2022-2026: inefficient digitalization of end-to-end supply chains, inadequate infrastructure and logistics networks, inefficient cooperation on data flows, lack of understanding on green supply chain management, and lack of targeted support for Micro, Small, and Medium Enterprises (MSMEs).

Following opening remarks from Mr. Scott Pietan, Deputy Assistant U.S. Trade Representative of APEC Affairs. Mr. Foo Cher How, Deputy Director of Multilateral Trade Policy in the International Trade Cluster of the Ministry of Trade and Industry of Singapore, began the first session by providing an overview of the SCFAP III, emphasizing its purpose in supporting businesses to build secure, resilient, sustainable, and open supply chains that establish a predictable, competitive and digitally interconnected APEC region for all. He elaborated on the chokepoints outlined in the SCFAP III and findings from an APEC-wide survey that highlighted complex customs procedures and high logistics costs as key economy concerns. The A2C2 will have the opportunity to feed into the efforts of the APEC Secretariat's Policy Support Unit and relevant APEC fora, Mr. Foo Cher How concluded, to identify suitable success indicators to measure progress on addressing the SCFAP III supply chain chokepoints.

Panelists from the first session focused on challenges faced by public sector stakeholders and effective strategies to address SCFAP III chokepoints. Mr. Hamza (Thomas) Haidon, Trade Policy Engagement Unit of the New Zealand Ministry of Foreign Affairs and Trade, presented on the experience of the indigenous Māori population in trade, and emphasized the need to include indigenous people in every step of trade policy development, from negotiations to border policy. Next, Dr. Josué C. Velázquez Martínez of the Center for Transportation and Logistics at the Massachusetts Institute of Technology explained new results from supply chain sustainability research in the APEC region. Employing these results, he identified key lessons for governments and the private sector: measure the baseline carbon footprint, incentivize transparency of environmental impacts, increased customer awareness of supply chain choices, and utilize short-term efficiency decisions to reduce carbon emissions faster. Lastly, Mr. Le Duc Viet of the Customs Control and Supervision Department of Viet Nam Customs discussed supply chain issues from a customs perspective, speaking briefly on single window deployment and use of electronic forms to reduce supply chain inefficiencies.

The second panel turned to private sector perspectives and began with comments from Mr. Jeff Weiss, the lead of the Supply Chain Practice Group at Steptoe & Johnson LLP in the United States. He shared his experiences on the current lack of accurate and reliable supply chain information. He announced the formation of an ASTM International technical committee that will develop standards to answering three questions: where is my cargo? what is the condition of my cargo?

when will it arrive? Mr. Weiss encouraged APEC participants to get involved in the committee's work, which is non-biased, voluntary and balanced, through symposia, facilitated discussions, and hackathons. Ms. Hannah Nguyen, Director of the Digital Standards Initiative at the International Chamber of Commerce based in Singapore, continued the discussion on Chokepoint #3, stressing how interoperable standards are key to reducing supply chain costs and complexity. Ms. Nguyen advocated for high levels of economy-level experimentation, including the use of regulatory pilots and sandboxes, to develop digitalization solutions that will actually be adopted in the marketplace. Mr. Devandran Muniandy, the GoTrade Asia Pacific Regional Coordinator at DHL based in Malaysia, followed by sharing his insights on Chokepoint #5 (lack of targeted support for MSMEs). Mr. Muniandy highlighted DHL's targeted training for MSMEs in their local communities on customs valuation, logistics operations and e-commerce. For e-commerce in particular, Mr. Muniandy raised the need for simplification of HS classification to reduce the logistical load on MSMEs. And he emphasized how important it is for an MSME to be able to submit all types of import forms online, including for licenses, registration and payments. Ms. Natali Tjahjadi, a member of Asia Women Exporters and Operational Manager of CV Widya Priguna based in Indonesia, closed the panel by sharing her experience as an MSME owner of an apparel company in the wake of the pandemic. She raised four crucial challenges from an MSME perspective: procedural complexity, inflation, burdensome logistics, and difficult to understand payment schemes for duties and tariffs. Ms. Tjahjadi emphasizes that when the economy gets tougher, MSME's have to become more resourceful. And, she mentioned that in today's environment, spending the resources to become more sustainable and inclusive can actually be a marketing benefit and basis for up-selling your product.

The event closed with a facilitated discussion, led by Ms. Ann Katsiak, Chief of Party for US-SEGA. There was a robust dialogue involving panelist and participants from both government and the private sector. Participants highlighted the benefits of the A2C2 forum that allows APEC to discuss these supply chain issues, with an emphasis on the fact that all of these issues connect and small improvements in one area can greatly impact other aspects of the supply chain as well. We heard of additional initiatives that tie into the SCFAP chokepoints, including electronic certifications that are helping to speed-up agricultural trade, new training programs for MSMEs, and payment digitization for e-commerce shipments that make trade simpler. Mr. Foo Cher How of Singapore, the sponsor of the SCFAP III, urged APEC economies and participants to use the momentum from the A2C2 to continue with initiatives that address the chokepoints in order to show measurable progress by the end of 2026.

The meeting concluded with next steps which will involve deeper-dives on each chokepoint and initiatives whereby economies, businesses, and public-private partnerships can seek to address them together.