



**Asia-Pacific
Economic Cooperation**

2022/SOM1/EC/SUM

Summary Report - First Economic Committee Meeting 2022



**First Economic Committee Meeting
21-22 February 2022**

Report by the Chair of the Economic Committee (EC) on EC1 2022

Executive Summary

1. The first plenary meeting of the Economic Committee (EC) was held virtually on 21 and 22 February 2022 (EC1).
2. The EC pursued the following key objectives at EC1:
 - Seek updates on Enhanced APEC Agenda for Structural Reform (EAASR) Individual Action Plans (IAPs) and endorse the EAASR Implementation Plan approach
 - Follow up on development of the 2022 APEC Economic Policy Report (AEPR) and implementation of the 2021 AEPR
 - Seek updates on the work of the EC FotCs and understand how FotCs will contribute to the EAASR
 - Enhance understanding and advance implementation of the APEC Collaborative Framework on Online Dispute Resolution (ODR)
 - Increase cross-fora collaboration, including with the Finance Ministers' Process (FMP), Human Resources Development Working Group (HRDWG) and APEC Business Advisory Council (ABAC).
3. The EC welcomed the members of the core team of the 2021 AEPR that will stay on for another year on implementation of 2021 AEPR.
4. The EC endorsed the EAASR Implementation Plan.
5. The EC welcomed the launch of the SELI Administrative Implementation Work Plan and the Satellite Website.
6. The Convenor of the Competition Policy and Law Group (CPLG) delivered a report to EC on its meeting held virtually on 18 February – refer to Summary Report (2022/SOM1/EC/031).
7. The convenors of the EC Friends of the Chair (FotC) groups presented on their separate informal meetings and/or work plans, with a particular focus on how the work of their FotC contributes to the EAASR and the Aotearoa Plan of Action: Corporate Law and Governance (CLG) led by Indonesia; Ease of Doing Business (EoDB) led by the United States; Public Sector Governance (PSG) led by Chinese Taipei; Regulatory Reform (RR) led by Malaysia; Strengthening Economic Legal Infrastructure (SELI) led by Japan.
8. EC1 featured two policy dialogues: 1) Structural Reform and the Future of Work – Tripartism (United States) - an implementation activity following the 2021 AEPR; and 2) Launch of the APEC Collaborative Framework for ODR & SELI Administrative Implementation Work Plan (Japan).
9. Collaboration with other APEC fora, international organisations and the business community was a key feature of EC1:
 - FMP representatives presented on the FMP 2022 Work Plan and priorities and implementation of the Cebu Action Plan, including synergies with EAASR implementation (Thailand and New Zealand respectively);
 - HRDWG members attended the policy dialogue on Tripartism;
 - ABAC presented on EAASR implementation and priorities for the business community;
 - a session on the Regional Economic Outlook featured Dr Denis Hew, Director of PSU and Dr Abdul Abiad, Director of the Macroeconomic Research Division at the Asian Development Bank (ADB);
 - Representatives from international organisations including OECD, ILO, ADB and UNIDROIT participated in EC1.

Recommendation: that Senior Officials endorse this report.

Report: First APEC Economic Committee Meeting 2022 (EC1)

Regional Economic Outlook

Dr Denis Hew, Director of the APEC Policy Support Unit (PSU), presented the APEC Regional Trends Analysis. Dr Hew highlighted that APEC GDP growth had slowed in Q3 2021, with growth uneven across the region. He highlighted some of the downside risks affecting growth including COVID-19 variants, persistently high inflation, expected rises in interest rates and higher debt. In terms of economic recovery, the priority remains on ensuring the health of the population so that economies can recover, reopen and rebuild. In the medium to long term, economies should focus on implementing the Putrajaya Vision 2040 including delivering a free open, fair, non-discriminatory, transparent and predictable trade and investment environment; fostering an enabling environment that is market-driven and supported by the digital economy and innovation and fostering quality growth that brings palpable benefits and greater health and wellbeing to all, including MSMEs, women and others with untapped economic potential.

Dr Abdul Abiad, Director of the Macroeconomic Research Division at the Asian Development Bank (ADB), focused on the outlook for developing Asia. Dr Abiad highlighted that despite recent surges in COVID-19 cases, developing Asian economies are continuing their strong economic recovery. Some of the downside risks facing the globe such as inflation and supply disruptions have been less severe for developing Asian economies. The region is projected to grow by 5.3 per cent this year, but recovery paths have been diverging. While COVID-19 risks remain, other risks are also coming to the fore, including rising financial stability risks.

Economies highlighted some of the challenges and opportunities facing the APEC region and sought views on how APEC can accelerate economic recovery. Some ideas included certain structural reforms that APEC economies could prioritise, such as bridging the digital divide and increasing the participation of women on the labour force, addressing safe passage constraints, including for transport workers and maritime crew, and increasing cooperation across APEC including on issues such as emergency preparedness.

APEC Economic Policy Reports (AEPRs)

New Zealand provided an update on implementation of the 2021 AEPR on Structural Reform and the Future of Work, which was published in November last year. The report included five headline recommendations. Recognising the need to increase EC's focus on implementing AEPR recommendations, most members of the 2021 AEPR core team have agreed to continue to work together on implementation activities. Having core team members commit to both development and implementation of the AEPR is important to maintain momentum. Core team members were encouraged to propose specific initiatives to support the recommendations and other economies are also welcome contribute ideas. Some AEPR 2021 implementation activities include the EC1 Policy Dialogue on Structural Reform and the Future of Work – see below and an HRDWG Workshop on Social Dialogue as a Tool to Address Labour Market Shortages. The PSU also presented on its report on Big Data for the Labour Market, which complements the AEPR 2021.

An update on the 2022 AEPR on Structural Reform and a Green Recovery from Economic Shocks was also presented by New Zealand and the PSU. The 2022 AEPR aims to build capacity in APEC economies to identify and implement structural reforms through a green recovery lens. It will provide a platform to share experiences and compare green policy responses to economic shocks and develop a general framework for implementing structural reforms that support a green recovery. A green recovery approach will contribute to the Putrajaya Vision 2020 economic lever of strong, balanced, secure, sustainable and inclusive growth,

and contribute to EAASR pillars two and three. New Zealand confirmed that the Terms of Reference, Individual Economy Report and Case Study Guidelines have been endorsed; funding has been secured from Australia and New Zealand; the PSU Board has approved the project; and the contractor had been appointed. The next steps are for economies to submit their Individual Economy Reports and case studies by 28 February 2022. The draft report will be peer reviewed in mid-2022, with a view to consideration and endorsement by the EC in August-September 2022 and then by SOM.

The EC Chair thanked New Zealand, PSU and the core team on the work undertaken on the 2021 and 2022 AEPRs and encouraged economies to submit their Individual Economy Reports and case studies for AEPR 2022 by the deadline. The EC Chair thanked the members of the 2021 APER core team that are willing to continue for another year for implementation of 2021 AEPR and expressed the wish to continue this good practice for AEPR 2022. The EC Chair further highlighted the importance of implementation of the AEPRs and encouraged economies to continue the practice of integrating implementation activities into the core team's work.

Policy Dialogue on Structural Reform and the Future of Work - Tripartism

A policy dialogue on 'Structural Reform and the Future of Work – Tripartism' was led by the United States. APEC HRDWG members were invited to attend. The dialogue was moderated by a representative from the US Department of Labor and featured speakers from the International Labour Organization (ILO), the Singapore National Employers Federation, Trade Union Confederation of the Americas, and Social Policy Insurance New Zealand.

This policy dialogue builds on the 2021 AEPR, which notes that the future of work is not about technology, but about people, and underscores the importance of tripartism. Tripartism is a form of social dialogue which features dialogue and cooperation among government, employers and workers. The moderator highlighted that tripartism promotes innovation, ensures that policies are well adapted to the needs of business and workers, and makes structural reforms more equitable, acceptable and viable. Social dialogue among tripartite members can also build trust in a dynamic world of work and is integral to strengthening economic growth. The policy dialogue explored: a) what tripartism looks like in practice; b) why having worker representation in the development of economy policy decisions on trade, investment and digitalization is important; and c) how economies have successfully implemented tripartism in their domestic procedures to develop inclusive economic and trade policies. The speakers provided insights and outlined different approaches to social dialogue in action, including from the perspectives of employer organisations, worker organisations and government. Some of the challenges faced and potential solutions were highlighted. The ILO also provided an update on its recently released World Employment and Social Outlook Report and highlighted economic policies to support businesses, protect jobs and sustain household consumption in an inclusive way in the crisis. Economies were encouraged to attend the upcoming HRDWG Workshop on Social Dialogue as a Tool to Address Labour Market Shortages.

Competition Policy and Law Group (CPLG) and EC Friends of the Chair (FotC) reports

The CPLG convenor presented on the CPLG meeting held on 18 February. The CPLG Work Plan 2022, which contributes to the Putrajaya Vision 2040, the EAASR, CPLG's ongoing objectives and Thailand's host priorities 'open, connect, balance', was endorsed at the CPLG meeting. The meeting provided a good opportunity for members to engage on the key 2022 CPLG themes of a) development of legal instruments which help with economic recovery; b) digital transformation and trade competition; c) competition policy and sustainable development; and d) close collaboration with international organisations. The CPLG will also carry out various activities and projects to implement these policy themes. The CPLG meeting featured

updates on competition policies and laws by 13 economies, updates on the implementation of CPLG projects by New Zealand, Mexico and Thailand, and a policy dialogue on Competition Policy and Digital Transformation.

The convenors of the EC Friends of the Chair (FotC) groups presented on their separate informal meetings and/or work plans, with a particular focus on how the work of their FotC contributes to the EAASR and the Aotearoa Plan of Action:

- Corporate Law and Governance (CLG) led by Indonesia
- Ease of Doing Business (EoDB) led by the United States
- Public Sector Governance (PSG) led by Chinese Taipei
- Regulatory Reform (RR) led by Malaysia
- Strengthening Economic Legal Infrastructure (SELI) led by Japan

The FotC convenors highlighted some of the proposed initiatives and policy dialogues planned for 2022.

Enhanced APEC Agenda for Structural Reform (EAASR)

This session focused on implementation of the EAASR following its endorsement at the Structural Reform Ministerial Meeting (SRMM) in 2021. Under the EAASR, the EC must develop and enact an EAASR Implementation Plan that identifies actions, indicators and timelines for review.

A representative from ABAC presented on what economies should prioritise in implementing EAASR in order to assist businesses in the APEC region. ABAC highlighted its 2022 finance and economics priorities, including promoting a speedy and sustained economic recovery; financing the transition to sustainability; developing a PPP framework for pandemic risk transfer; and building an enabling ecosystem for digital finance. ABAC encouraged EC members to participate in its key initiatives and upcoming events and workshop.

Australia provided an update on the submission of Individual Action Plans (IAPs) under EAASR. Utilising the quantitative and qualitative indicators developed by PSU, Australia will undertake collective analysis of the IAPs to compare policy approaches in the response and recovery phases of the COVID-19 pandemic. Australia will publish the IAPs and collective analysis to share experiences and mobilise collective commitment and actions. Australia also highlighted that the ASF Sub-Fund on EAASR is now available for Project Session 1 concept notes and is designed to support economies in building capacity for the implementation of structural reforms under their IAPs. The Sub-Fund is directly related to EAASR IAPs in that concept notes must include an explanation of how the proposed project aligns with the economy's IAP. Australia will self-fund a policy dialogue in the second half of 2022 to further build capacity in implementing IAPs. Australia also highlighted its proposed self-funded cross-fora project on EAASR implementation, namely a joint EC and Group on Services (GOS) symposium on Structural Reform and the Services Sector.

Canada presented on the proposed EAASR Implementation Plan, which had benefited from several rounds of inputs from EC members. The Implementation Plan is designed to be a tool for EC tracking, monitoring and reporting on collective actions for structural reforms under EAASR. The Implementation Plan will map the broad array of EC work on structural reform, including from the AEPRs, work of the FotCs, EC projects and other EC initiatives. It will inform EC's report on EAASR implementation to Senior Officials and will also assist EC in meeting its broader reporting obligations. The Implementation Plan will serve as a flexible, 'living document' and will be updated periodically before EC1 and EC2 with EC members being invited to provide inputs including actions. Economies were invited to endorse the Implementation Plan. The next step will

be to circulate the template for members to include specific initiatives and actions, including integration of the EC FotC activities identified in the respective FotC work plans.

EC members thanked Australia and Canada for taking the lead on IAPs and development of the EAASR Implementation Plan, respectively. Some economies provided updates on their IAPs and highlighted some of their IAP initiatives.

EC members welcomed the approach to the EAASR Implementation Plan and highlighted its role in facilitating EAASR and Aotearoa Plan of Action implementation and in helping the EC in meeting its various reporting obligations, including under the La Serena Roadmap and the APEC Internet and Digital Economy Roadmap (AIDER). Some suggestions were provided for ensuring all EC work is captured in the Implementation Plan.

The EAASR Implementation Plan was endorsed. The next steps are to circulate the Implementation Plan to EC members to incorporate actions from the FotC work plans and other initiatives and projects. As a 'living document', the Implementation Plan will also be circulated ahead of EC2 for updates and inputs from EC member economies.

Cross-fora collaboration – Finance Ministers' Process

Thailand, as FMP Chair outlined the key priorities and deliverables for FMP 2022. The key themes will be sustainable finance and digitalization for digital economy and some of the key deliverables under these themes will include policy recommendations on fiscal funding tools, various seminars, a report on the use of digital technology to improve access to government services and recommendations on cross-border payments. The EC Chair encouraged collaboration with FMP in preparing for AEPR 2022.

New Zealand provided an update on the CEBU Action Plan (CAP) and the new Implementation Strategy, which was endorsed by Finance Ministers in October 2021. New Zealand highlighted the clear synergies between EAASR and CAP implementation and encouraged economies to take advantage of these synergies when considering their implementation activities, with which the EC Chair agreed.

Policy Dialogue on the Launch of the APEC Collaborative Framework for Online Dispute Resolution

A policy dialogue on the Launch of the APEC Collaborative Framework for Online Dispute Resolution (ODR CF) was led by Japan. Presenters provided an update on the initiative and highlighted why the APEC ODR CF is key for MSMEs, ODR providers and EAASR implementation and how to use the new APEC ODR satellite website. Presenters emphasized the need to launch the project by signing up ODR providers. Presenters also set out recommendations arising from the recent virtual 'Workshop on Implementing the APEC ODR Collaborative Framework', including for APEC economies to consider opting-in to the Collaborative Framework and for the EC/SELI to partner as soon as possible with ODR providers that: a) are from economies that have opted into the Collaborative Framework; and b) have certified their compliance with the Collaborative Framework and Model Procedural Rules. These providers should be listed on the ODR satellite website.

Some economies intervened to express support for the initiative and to highlight work they have undertaken to support the ODR CF. The EC Chair noted the next steps are for EC to implement the recommendations from the workshop to encourage economies that have opted-in to the ODR CF to encourage and partner with ODR providers so they can be listed on the satellite website. In parallel, while it is noted that some economies are actively considering to opt in to the ODR CF, all other economies are

encouraged to do the same. The EC welcomed the SELI Administrative Implementation Work Plan and the satellite website and there was general consensus for EC to proceed to implementing the Collaborative Framework, which was recognised by the ministers of the SRMM.

Preparation for 15th Good Regulatory Practices Conference

Thailand provided information about the potential themes for the 15th Good Regulatory Practices (GRP) Conference to be hosted by Thailand. Thailand noted the GRP Conference provides an opportunity to share steps taken and lessons learned for recovery measures. Some examples the potential areas of focus include enhancing competitiveness of SMEs; reforming public finance; supporting new living and working environments; focusing on wellbeing of the people; ensuring sustainable growth through green recovery; and empowering the economy with digital technology. Thailand will circulate a concept note on the GRP Conference and will seek co-sponsors.

Host priorities

Thailand outlined its APEC Host economy themes and priorities for 2022 under the three headline themes of “open, connect, balance”. For the “open to all opportunities” theme, Thailand will focus on open trade and investment, including a refreshed conversation on FTAAP; for “connect in all dimensions”, Thailand will focus on safe and seamless cross-border travel; and for “balance in all aspects”, Thailand will focus on the ‘Bio Circular Green Economy Model’. The EC Chair welcomed the themes and priorities and remarked that the topic of 2022 AEPR echoes with the themes and priorities.

APEC Projects Update

The APEC Secretariat provided an update on APEC projects. The Secretariat provided some highlights from recent analysis across APEC on projects and encouraged economies to view the full Project Management Unit presentation on ACS. The Secretariat highlighted the funding available under the SELI subfund and the EAASR subfund for Project Session 1 and requested that concept notes are sent to the Secretariat by 10 March. The Secretariat also provided a snapshot of the current EC projects (see attached). The EC Chair encouraged economies to consider seeking funding support for the various proposed projects and activities mentioned at this meeting.

Future Meetings

EC2 is scheduled to take place during SOM3 in August 2022.

Economic Committee Projects: Snapshot

APEC-Funded EC Projects

Economy	Project Title	Project Code	Milestones and Status
Malaysia	Workshop on Crowdfunding: An Alternative Economic Tool to Promote Innovation in this Digital Era for Inclusive Growth	EC 04 2019A	<ul style="list-style-type: none"> - Workshop held 17-19 August 2021 - Project report endorsed by EC on 19 November 2019 - PCD December 2021 - Completion Report due end-February 2022
Japan	Workshop on Implementing the APEC Online Dispute Resolution (ODR) Collaborative Framework	EC 02 2020A	<ul style="list-style-type: none"> - Virtual workshop to be held 16-17 February 2022 - PCD August 2022
United States	Modernizing Secured Transaction Legal Regimes in APEC Economies through International Instruments and Effective Dispute Resolution Mechanisms	EC 03 2020A	<ul style="list-style-type: none"> - Webinar held on 10 December - Workshop in Tokyo Japan (30 March – 1 April 2022) - PCD July 2022
The Philippines	Capacity Building on Data Science Tools for Sector Regulators and Competition Authorities amidst the New Normal	EC 05 2020A	<ul style="list-style-type: none"> - Workshop to be held on 23 March 2022 - Data Science Toolkit prepared and reviewed - Project Summary Report due 30 April 2022 - PCD June 2022
Indonesia	Capacity Building to formulate Better Policy Responses to increase MSMEs Demand in the Wake of Covid-19 Pandemic in APEC Economies	EC 01 2021A	<ul style="list-style-type: none"> - Project Proposal approved - Workshop to be held in September 2022 - PCD December 2022
New Zealand	Workshop on building an enabling environment for fintech	EC 02 2021A	<ul style="list-style-type: none"> - Proposal for workshop during SOM3 - Project Proposal under review
Japan	Enhancing implementation of ODR through the APEC ODR Collaborative Framework and other fora including courts'		<ul style="list-style-type: none"> - Concept note circulated for review/endorsement February 2022

Self-Funded EC Projects

Economy	Project Title	Project Code	Milestones and Status
Russia	Stocktake of APEC ODR Technologies	EC 02 2020S	- Summary report to be circulated for comments in February 2022
United States	APEC Gender and Structural Reform: Measuring the Economic Impact	EC 03 2020S	- Report and data brief circulated for comments in February 2022
New Zealand	Developing a Practical APEC-OECD Resource on International Regulatory Cooperation	EC 04 2020S	- Resource to be prepared and finalized by June 2022
New Zealand	APEC Workshop on Catalysing the Growth of Inclusive and Sustainable Start-Up Ecosystems	EC 02 2021S	- Workshop held in September 2021 - Report published in February 2022
Japan	Webinar Series on Implementing the APEC ODR Collaborative Framework through the Satellite Website	EC 03 2021S	- Webinar series held in 2021
Russia	Revised APEC Stocktake of Carbon Pricing Initiatives Report	EC 04 2021S	- Report published in February 2022
Russia	Analysis of perspectives and barriers for effective implementation of public e-services	EC 05 2021S	- Workshop to be held in the first half of 2022 - Study report and best practices to be prepared April/May 2022
China	APEC Workshop on Strengthening Supply Chains Cooperation for Economic Recovery		- Project Proposal circulated for comments/endorsement - Proposed online workshop to be held in first half 2022
Australia	Joint EC and GOS Symposium on Services and Structural Reform		- Project Proposal circulated for comments/endorsement - Proposed joint EC-GOS symposia to be held in May-July 2022 and August 2022