



**Asia-Pacific
Economic Cooperation**

2022/SOM3/007

Session 2.2

Digital Economy Steering Group Chair's Report

Purpose: Consideration
Submitted by: DESG Chair



**Third Senior Officials' Meeting
Chiang Mai, Thailand
30-31 August 2022**

DESG CHAIR'S REPORT TO SOM3 2022

As the inheritor of the deliverables of the Ad Hoc Steering Group on the Internet Economy (AHSGIE), the DESG advises the SOM on a comprehensive and regular basis on implementation of the **APEC Internet and Digital Economy Roadmap (AIDER)**, giving full recognition to the Roadmap's broad scope.

NOTE: The DESG reports to the CTI on matters of the former Electronic Commerce Steering Group's work programme on e-commerce and trade-related digital economy issues.

The DESG 2nd meeting in 2022 took place on 24-25 August 2022 in Chiang Mai, Thailand, and included the DESG Data Privacy Subgroup (DPS) 45th meeting on 24 August and the DESG Plenary meeting on 25 August.

The meeting was attended by 20 member economies (either in person or remotely): Australia; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States; Viet Nam. In addition, in attendance at the meeting were representatives of ABAC, PECC, BSA Software Alliance, International Chamber of Commerce (ICC), GSMA, Internet Society (ISOC), United States Council for International Business (USCIB), World Economic Forum (WEF), World Trustmark and Trade Alliance (WTA).

Members held a Policy Dialogue on *Digital Economy Promotion*, noting the presentations by expert speakers:

- Julius Caesar Parreñas, Ph.D. Coordinator, Asia-Pacific Financial Forum (APFF): *Recommendations on building ecosystem for digital finance*
- Andre Wirjo, Analyst, APEC Policy Support Unit (PSU): *Resiliency in a Post-Pandemic APEC: Approaches to Driving Growth in Digital Services*
- Alexis Crowell, Vice President and Managing Director for Asia Pacific Territory, Intel Corporation: *The Digital Renaissance with Four Superpowers*

Members discussed the implementation of the APEC Putrajaya Vision 2040 including through the Aotearoa Plan of Action.

Members noted:

- Intersessionally endorsed DESG 1 2022 meeting summary report
- DPS Chair's report on the outcomes of DPS meeting
- CTI Chair's update on the work at CTI, as well as CTI's collaboration with DESG
- Update from APEC Secretariat Program Director on APEC developments

- Updates on ongoing projects:
 - *Promoting Digital Capacity Building to Bridge the Digital Divide in the Post-COVID Era* (DESG 01 2020S) – China
 - *Review of APEC CBPR System* – Japan and PSU
 - PSU informed that the final draft of the report on the *Review of the APEC CBPR system* has been completed and shared for DESG consideration but has not received endorsement from all members.
 - Several economies noted that there was still an open communication with the PSU about the report and remarked that the establishment of the Global Cross-border Privacy Rules (CBPR) Forum, which was announced by some APEC CBPR members in April 2022, has negatively affected APEC consensus-building approach, as it has not been fully discussed and agreed by APEC. The economies noted that they are still considering their position with regard to the PSU report on the *Review of the APEC CBPR system*.
 - Consultations about the endorsement of the report will continue intersessionally. Member economies requested to be kept informed about the progress of these consultations.
 - *Capacity Building on Using Remote Sensing Technologies for Monitoring the Environment Among APEC Economies* (DESG 01 2021) – Peru
 - *Study on Barriers and Opportunities in Using Digital Technologies to Provide Services for Older Adults in Poverty Condition in APEC Economies* (DESG 02 2021) – Peru
 - *Symposium on Advancing Digital Trade Transformation and Connectivity in APEC 2021* (DESG 04 2021S) – Thailand
- New project proposals:
 - *Measuring the Economic Impact of Digital Trade/e-Commerce Provisions* (CTI 05 2022S) – Australia
 - *APEC Workshop on Promoting Creative Industries in the Aftermath of COVID-19: Sharing of Best Practices, and Identifying Opportunities and Challenges* (DESG 04 2022A) – Indonesia
 - *Policies and Tools for Improving Digital Economy and Competition in Digital Markets: Current Issues* (DESG 03 2022A) – Mexico
 - *Catalyzing Stakeholders for Effective Implementation of Digital Licensing and Permitting Measures for a Post-COVID-19 Economic Recovery* (DESG 05 2022A) – the United States
 - *APEC Workshop on Promoting Digital Transformation in Agriculture* (DESG 06 2022A) – Viet Nam
- Updates on digital economy developments from member economies: Australia; Chile; China; Hong Kong, China; the Philippines; Singapore; Chinese Taipei
- Updates on digital economy developments from guest organizations: International Chamber of Commerce (ICC), Microsoft on behalf of the U.S. Council for International

Business (USCIB), World Economic Forum (WEF), World Trustmark and Trade Alliance (WTA)

Members discussed the selection of the new DESG Chair and Vice Chairs:

- Members noted that the term of the current DESG Chair Dr. Ekapong Rimcharone (Thailand) and Vice Chairs Mr. Xu Feng (China) and Mr. Arseny Plossky (Russia) expire at the end of the APEC 2022 year (November).
- Members noted that nominations for DESG governance positions for the next two year term have been requested intersessionally, and two nominations for Chair and one nomination for Vice Chair have been received. According to the DESG Terms of Reference, in the event of multiple nominations for Chair, the member economies will work with the APEC Secretariat to designate a Chair through consensus.
- Members could not reach consensus at the meeting and agreed to continue consultations intersessionally with the goal of selecting the new Chair by the end of APEC 2022 Host Year (November). If consensus cannot be reached by that moment, further suggestions about the next steps will be presented for the group's consideration. It was noted that in accordance with APEC DESG ToR paragraph 4.1.e *"Should there be no nominations from member economies for the Chair position, either of the Vice Chairs shall assume the Chairmanship for one calendar year to ensure continuity or until a new Chair is nominated and selected by consensus from among member economies"*. A member economy suggested that this provision means that in case of no consensus on the selection of new Chair before the end of 2022, either of the Vice Chairs should assume the Chairmanship of DESG in 2023 or until a new Chair is nominated and selected by consensus from among member economies.

DESG plans to continue the work on the implementation of the AIDER intersessionally.

DESG extended a request to APEC fora and subfora to submit suggestions for a stocktake of initiatives contributing to the AIDER Key Focus Areas, and will prepare a report to Senior Officials on the progress of AIDER implementation.

DESG also plans to hold a DESG-TEL Joint Meeting and Public Private Dialog in conjunction with the TEL65 meeting, which is scheduled to take place virtually in October-November 2022.