



**Asia-Pacific
Economic Cooperation**

2022/SOM1/CTI/031

Agenda Item: XI

Market Access Group Convenor's Report

Purpose: Information
Submitted by: MAG Convenor



**First Committee on Trade and Investment
Meeting
18-22 February 2022**

MARKET ACCESS GROUP (MAG) CONVENOR'S SUMMARY REPORT TO CTI1 2022

1. How the forum's work contribute to CTI's objectives, including taking forward the [Aotearoa Plan of Action](#), as we pursue the [Putrajaya Vision 2040](#):

Please provide a brief list of the forum's work under each sub-heading.

a. Support for the Multilateral Trading System

- "...Growth of international trade flows in the region become more stable and predictable including with increased coverage of WTO rules, through APEC members' effective and transparent implementation of existing and future commitments..."

MAG has undertaken the following work to support the Multilateral Trading System:

a) WTO Trade Facilitation Agreement

- All APEC member economies have ratified the WTO TFA and notified their Category A, B and C commitments. The MAG Convenor and the APEC Secretariat continued to monitor and receive updates on member economies' implementation status of the WTO TFA. A few member economies provided updates on their implementation progress:
 - Thailand updated that internal procedures have been completed in the implementation of Article 11.1(a) and 11.1(b) with regard to Freedom of Transit.
 - Indonesia updated that they are currently undertaking national coordination to prepare the notification to WTO on Article 3 (Advance Ruling) of the WTO TFA.
 - Papua New Guinea updated that they are working on a trade portal that would set the foundation for the implementation of the WTO TFA commitments.
- The United States updated on the Capacity Building and Technical Assistance to Implement Programmes related to the WTO TFA: Article 8 Border Agency Cooperation. This is a continuation of the work that the United States had undertaken with respect to the WTO Trade Facilitation Agreement. In support of this, the US hosted a workshop in 2021 to highlight the importance of cooperation internally and across borders and discuss best practices on domestic and international border agency cooperation. The United States has completed its capacity building and technical assistance work regarding Articles 1 and 3.

b) WTO Information Technology Agreement (ITA) Expansion

- MAG members shared views on the benefits of joining the ITA Expansion. Participating economies encouraged other member economies that are not part of the ITA expansion to consider joining.
- Thailand updated that they had undertaken tariff reduction for 82 tariff lines in accordance with their tariff schedules in 2021, and the final reduction for 6 more tariff lines is scheduled for 2023.

c) Initiative on Promoting Transparency of WTO Technical Barriers to Trade Notifications

- Peru presented their self-funded study on the “Initiative on Promoting Transparency of Technical Barriers to Trade (TBT) World Trade Organisation (WTO) Notifications” with the objective to develop guidelines to improve the completeness and clearness of information contained in these TBT notifications to the WTO. The study found that APEC economies have a good level of compliance but there is room for improvement in terms of completeness and clearness of information. In support of the study, Peru would be coordinating nominations, in Jun 2022, for a Public-Private Dialogue (PPD) which is scheduled around SOM3 to exchange experience in WTO TBT notifications. A draft of the best practice guidelines and the summary report of the study would be prepared in Sep 2022.

b. Regional Economic Integration

- *“...APEC’s trade and investment environment is free, open, fair, non-discriminatory, transparent and predictable...”*
- *“...further advance the Bogor Goals and economic integration in the region in a manner that is market-driven, including through the work on the Free Trade Area of the Asia-Pacific (FTAAP) agenda which contributes to high standard and comprehensive regional undertakings...”*

MAG has undertaken the following work to support regional economic integration:

a) APEC Trade Repository

- The Philippines updated on the usage of the APEC Trade Repository from 1 Aug 2021 to 15 Feb 2022, which accounted for 4,295 users, 5,069 sessions, and 7,830 page views.
- Indonesia updated on the “Study on Strategy to Promote the Utilisation of the APEC Trade Repository”. As part of the study, Indonesia would undertake desk research and preparation of questionnaire, which would be circulated to member economies for their participation. The analysis of the desk research and questionnaire would be presented at the next MAG meeting in 2022, with promotional materials to be prepared by end-2022.

b) Study on Tariffs

- Hong Kong, China, and the APEC’s Policy Support Unit (PSU) presented the latest findings of “Study on Tariffs – Analysis of the Regional Comprehensive Economic Partnership (RCEP) Tariff Liberalisation Schedules”, which provided comparison of the tariff schedules between the RCEP and the Comprehensive and Progressive Agreement

for Trans-Pacific Partnership (CPTPP). This is a continuation of the study on tariffs released in 2019 as part of the FTAAP Work Programme on Tariffs. The draft report of the study will be circulated to CTI after SOM1.

c) **Supply Chain Framework Action Plan Phase III (SCFAP III)**

- Singapore updated that work is still ongoing to put together the draft suggested Supply Chain Framework Action Plan Phase III, which aims to identify the key areas that APEC should focus on for the next 4 to 5 years.

d) **The 14th APEC Alliance for Supply Chain Connectivity (A2C2)**

- The United States updated that the 13th A2C2 was held in Aug 2021, which consisted of discussion on next steps to achieve permanent supply chain reform as a positive outcome of COVID, as well as an update on reference to supply chain programs in APEC. Given the importance of SCFAP work, the US will continue to look for ways in which the A2C2 can continue to fulfil its mandate and support Singapore's work on the SCFAP.

c. **Trade Facilitation and Connectivity**

- *"...promote seamless connectivity, resilient supply chains and responsible business conduct, APEC economies will improve physical, institutional and people-to-people connectivity..."*

MAG has undertaken the following work to promote trade facilitation and connectivity:

a) **APEC Pathfinder for Self-Certification of Origin**

- The United States updated on the APEC Pathfinder for Self-Certification of Origin, which started in 2009 and sought to reduce the administrative burdens and costs associated with complex rules of origin documentation and procedures. Through the US' research into Free Trade Agreements (FTAs) concluded by APEC economies, it was assessed that most APEC economies now apply self-certification in the various FTAs that they are a Party to, which is a significant improvement from the situation in 2009. The US proposed to close the pathfinder given that the objective of the pathfinder has been met.

b) **APEC Pathfinder on Facilitating Trade in Remanufactured Goods, Trade of Remanufactured/Refurbished Consumer Electronic Products in APEC, and Building Capacity in Trade of Refurbished Medical Devices**

- The United States updated on the APEC Pathfinder on Facilitating Trade in Remanufactured Goods, which aims to promote trade in remanufactured goods. A workshop and study on trade in refurbished medical devices were held and published in 2021, which found that importation of refurbished medical devices had been heavily regulated or even banned in certain economies despite the potential benefits of trade in these products. Related to this, the US also updated that they have circulated 2 new self-funded initiatives on Trade of Remanufactured/Refurbished Consumer Electronic Products in APEC and Building Capacity in Trade of Refurbished Medical Devices, which aim to provide APEC economies with assistance to build capacity in this area.

d. **Innovation and Digitalisation**

- *"...To empower all our people and businesses to participate and grow in an interconnected global economy, we will foster an enabling environment that is, among others, market-driven and supported by digital economy and innovation."*
- *"...strengthen digital infrastructure, accelerate digital transformation, narrow the digital divide, as well as cooperate on facilitating the flow of data and strengthening consumer and business trust in digital transactions."*

Nil

e. **Sustainable and Inclusive Growth**

- *"Advancing inclusive policies, including under the economic drivers of trade & investment, and innovation and digitalisation, to promote sustainable economic growth opportunities and improve quality of life..."*
- *"...develop, encourage and exchange best practice policies, and promote capacity building programmes, that address all environmental challenges - including climate change - and support sustainable growth, such as through trade, including APEC's work on facilitation of trade in environmental goods and services"*

MAG has undertaken the following work to support sustainable growth:

- a) **Implementation of the APEC Environmental Goods List**
 - Thailand updated that they have fully implemented the APEC EG List following the tariff reduction for 3 final products.
- b) **Updating the APEC EG List from HS 2017 to HS 2022 Nomenclature**
 - New Zealand provided an update on the technical work to update the APEC EG List from HS 2017 to HS 2022 nomenclature, which was a follow up to the work that was completed in transposing the APEC EG List from HS 2012 to HS 2017 nomenclature.
 - MAG Convenor reminded APEC member economies that this was one of the tasks that was assigned by the APEC Ministers and there was a need to continue the technical work to transpose the APEC Environmental Goods List from HS 2017 to HS 2022. There was no objection to MAG Convenor's suggestion to potentially hold intersessional meeting during Mar/April 2022 to further discuss the transposition work.
- c) **Voluntary, Non-Binding Reference List of Environmental Goods**
 - Australia provided a non-paper that laid out possible recommendations on the way forward for APEC member economies to fulfil the APEC Ministers' tasking to develop recommendations for potentially producing a voluntary, non-binding reference list to provide guidance for further work. There were substantive discussions on this agenda item and constructive comments were provided. Australia would take these comments into account when revising the non-paper, which would be further deliberated with the aim of reaching consensus on the preferred recommendation.

2. Forum Main Objectives/Deliverables expected for 2022

Please provide a brief list of the forum's 2022 objectives and expected outcomes/deliverables.

- PPD on Promoting Transparency of TBT WTO Notifications: Improving Completeness and Clarity of Information
- Update on Supply Chain Framework Action Plan Phase III and AC2C
- Finalise study on Strategy to Promote the Utilisation of the APEC Trade Repository
- Update on HS transposition of the APEC EG list from HS 2017 to HS 2022
- Update on possible recommendations to develop a voluntary, non-binding reference list of environmental goods
- Updated implementation of APEC economies' WTO TFA

3. Planned private sector engagement in 2022

Please provide a list of planned private sector engagement in 2022

ABAC

4. Planned cross-fora collaboration in 2022

Please provide a list of planned cross-fora collaboration in 2022

Nil

5. Main outcomes from most recent plenary meeting

Please provide in list format

- Progress in APEC economies' implementation of the WTO TFA – i.e., Thailand, Indonesia, and Papua New Guinea
- Progress in APEC economies' implementation of the APEC EG List – i.e., Thailand
- Progress in APEC economies' participation of the WTO ITA expansion – i.e., Thailand
- Updated utilisation of the APEC Trade Repository, which showed an uptick in utilisation
- Peru updated on their self-funded study to analyse APEC economies' implementation of the WTO TBT notification
- Hong Kong, China and PSU updated on the Study on Tariffs – Analysis of the Regional Comprehensive Economic Partnership (RCEP) Tariff Liberalisation Schedules
- Conclusion of the APEC Pathfinder on Self Certification of Origin, which achieved its objective
- General agreement to hold intersessional meeting to further discuss the HS transposition of the APEC EG list from HS 2017 to HS 2022
- Australia presented a non-paper on the possible recommendations to develop a voluntary, non-binding reference list of environmental goods
- United States updated on the APEC Pathfinder on on Facilitating Trade in Remanufactured Goods

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

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

The quorum was met with 21 member economies participated in MAG1.

7. 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

As the primary forum for discussing market access issues, MAG has been overseeing the implementation of several major initiatives towards supporting the multilateral trading system, trade liberalisation for regional economic integration and more recently on sustainability issues. Economies are encouraged to make use of MAG to initiate high-quality projects contributing to areas of tariffs, non-tariff measures, rules of origin, transparency, and trade facilitation.

8. Decision points needed from CTI

- Seek CTI's endorsement of MAG Convenor's Report
- Seek CTI's endorsement to conclude and close off the Pathfinder on Self Certification of Origin