



**Asia-Pacific  
Economic Cooperation**

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**2022/SOM1/CTI/032**

Agenda Item: XI

## **Group on Services Convenor's Report**

Purpose: Information  
Submitted by: GOS Convenor



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

## GOS 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..."*

The GOS1 2022 plenary meeting included presentations from the WTO and WEF relating to the conclusion of negotiations of the Joint Statement Initiative on Services Domestic (DR JSI) Regulation to align APEC/GOS efforts in this area with developments in the multilateral trading system.

The GOS actively engages in activities in this area under the guidance of the U.S. as champion economy of domestic regulation of services in the Final Push in Services. Two proposals have been submitted (pending endorsement) to assist APEC economies with implementation of the new DR JSI obligations:

- Concept Note "Translating Services Domestic Regulations Initiatives into Practice – capacity building on accessing economic benefits through implementation of the disciplines" (U.S.)
- Self-Funded Project Proposal "Translating Services Domestic Regulations Initiatives into Practice – benefits and experiences implementing the disciplines" (U.S.)

#### 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..."*

GOS is accountable for the implementation and monitoring of APEC-wide actions under the APEC Services Competitiveness Roadmap (ASCR) to develop services sectors in the APEC region as enablers of economic growth and inclusion. GOS members discussed ways to implement the ASCR mid-term review recommendations included in the Summary Report endorsed by Ministers in 2021 and the organization of a cross-fora collaborative event in the margins of SOM2 on a regular basis through 2025 to improve the monitoring of the ASCR's implementation.

GOS continues to implement the "Final Push on Services" to address unfinished business of the Bogor Goals, focusing on five priority areas: domestic regulations, development of an APEC Index to measure the regulatory environment in services trade in APEC, mutual recognition of qualifications and licensing, environmental services and manufacturing-related services. Work on each priority area is led by a champion economy

GOS members discussed possible ways to contribute from the GOS to the effective implementation of the Aotearoa Plan of Action or “APA” (see details under “main outcomes from the plenary meeting” below).

The GOS will implement activities to support the following two tasks, as requested by the CTI:

1. Conduct in 2022 the first review of work done to support the 2021 MRT Statement on Services to Support the Movement of Essential Goods;
2. Take forward discussions on how to increase trade in environmental and environmentally related services, including by supporting liberalisation, facilitation, and cooperation, as agreed in the 2021 APEC Ministerial Statement.

(See details under “main outcomes from the plenary meeting” below).

**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...”*

GOS supports the implementation of the *2021 MRT Statement on Services to Support the Movement of Essential Goods*. Australia will implement a self-funded capacity building project in accordance with the CTI tasking regarding the APEC MRT Statement on Services to Support the Movement of Essential Goods. (see details under “main outcomes from the plenary meeting” below)

GOS continues to implement activities to support the mutual recognition of qualifications and skills under the leadership of Australia, as part of the Final Push in Services, contributing to people-to-people connectivity, as indicated in the APEC Connectivity Blueprint 2015-2025. Australia will lead a self-funded project proposal “APEC Professional Services and Mutual Recognition Agreement (Multi Year)” (more details under “main outcomes from the plenary meeting” section below).

Canada assumed the role of champion economy to lead the next stage for the development of the APEC Index to Measure the Regulatory Environment in Services Trade of APEC, with a view to expand participation and sectors covered in the Pilot Program. A Technical Group meeting was held on 17 February to support work in this area in collaboration with the OECD. (more details under “main outcomes from the plenary meeting” section below)

To assess and meet the needs of APEC economies for capacity building to enable participation in the APEC Index project, the U.S. submitted a self-funded project proposal (pending endorsement) “Expansion and Application of the APEC Index - Supporting economy-level capacity building to advance the services agenda in APEC”.

A “Joint EC and GOS Symposium on Services and Structural Reform” will be organized by Australia in two stages, in the margins of SOM2 and SOM3 2022.

Malaysia held a “Workshop on Manufacturing Related Services (MRS): Spearheading Economic Recovery Post-Covid19” in December 2021 and plans to submit a concept note to implement a follow-up project in 2023.

A report from Indonesia on “APEC Best practices on developing services related statistics in mode 3” will be released as an APEC Publication in the near future.

#### **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.”*

A “Private Public Dialogue (PPD) on Digitally Enabled Services: Challenges and Opportunities” will be organized by Chinese Taipei tentatively in July 2022. This PPD aims to enhance participants’ understanding of the growing demands of digitally enabled services, in particular, healthcare, education, financial and public services, during the COVID-19 pandemic, as well as policy approaches in response to those demands, and aim to develop policy recommendations and guidelines for Members’ consideration to assist MSMEs in the service sectors to harness digital technologies to enhance their competitiveness.

The development of the APEC Index for measuring the regulatory environment in services trade will provide a helpful tool for policymakers in the region to support decision making processes on services trade policy, including by enabling policymakers to review and address barriers to digitally enabled services.

#### **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”*

New Zealand leads the work stream on Environmental Services, as part of the Final Push in Services in the GOS. New Zealand proposed the following activities on Environmental Services: (i) a self-funded project to develop a model schedule (positive list) of environmental and environmentally related services, drawing on the Reference List of Environmental and Environmentally Related Services. (ii) an APEC-funded project to develop a regulatory handbook for environmental and environmentally related services.

The United States presented the self-funded project proposal “Recognizing Workers as Services Trade Beneficiaries: An Inclusive Analysis” (pending endorsement) under which a study will be conducted in 2022 and a PPD will be held in the margins of SOM1 2023.

## **2. Forum Main Objectives/Deliverables expected for 2022**

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

- A cross-fora and industry dialogue focused on the progress of the ASCR during SOM2 is being planned for SOM2.

- A background paper on logistic services will be drafted and a virtual workshop will be held on 15-16 March 2022, as part of the project “APEC – Services that support the movement of essential goods.
- A “Private Public Dialogue (PPD) on Digitally Enabled Services: Challenges and Opportunities” will be organized by Chinese Taipei in June 2022.
- A “Joint EC and GOS Symposium on Services and Structural Reform” will be organized in two stages, in the margins of SOM2 and SOM3 2022.
- A U.S. led research brief on the opportunities posed by improved services domestic regulations is expected by June-July 2022. A capacity building workshop will follow to support APEC economies to implement streamlined and clarified services domestic regulation disciplines is being planned for September.
- The self-funded project proposal: “APEC - Services that support the clean-up of marine debris” will include a policy brief (in collaboration with PSU) and recommendations for Ministers.
- Progress is expected by the end of 2022 on the number of participating economies and sectors covered in the APEC Index for measuring the regulatory environment in services trade.
- Two technical assistance activities are being planned for the third and fourth quarter of the year for the development of the APEC Index.
- Online workshops organised by Australia will allow regulators to explore best practice in the use of digital credentials. Work on cross-border mobility of professionals and professional services will include: (i) maintenance of the APEC Mutual Recognition Agreement (MRA) Inventory website, (ii) APEC Mutual Recognition and Digital Credentialing Online Training, (iii) creation of an APEC Professional Services and Mutual Recognition Community of Practice.
- Publication of the report “APEC Best practices on developing services related statistics in mode 3”. (Indonesia)
- Study on the benefits of services trade on workers employees in major services sectors, as part of the project “Recognizing Workers as Services Trade Beneficiaries: An Inclusive Analysis” (U.S.)

### **3. Planned private sector engagement in 2022**

*Please provide a list of planned private sector engagement in 2022*

- ABAC provided an update of the ABAC1 2022 meeting during the GOS plenary meeting and will be also invited to the GOS2 2022. In addition, the GOS Convenor participated virtually in the ABAC1 2022 meeting held on 16 February 2022 in Singapore.
- The proposed cross-fora event to be organized in the margins of SOM2 to monitor the implementation of the ASCR will be open for the participation of industry stakeholders including ABAC.
- The EC and GOS will welcome the participation of ABAC members in a “Joint EC and GOS Symposium on Services and Structural Reform” to be organized in the margins of SOM2 and SOM3.
- Collaboration with the ABAC and Asia-Pacific Services Coalition (APSC) is expected as part of a “Public-Private Dialogue (PPD) on Digitally Enabled Services: Challenges and Opportunities” to be organized tentatively in July 2022 by Chinese Taipei.

### **4. Planned cross-fora collaboration in 2022**

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

**GOS-ASCR cross-fora event:** The GOS is accountable for the implementation and monitoring of APEC-wide actions under the APEC Services Competitiveness Roadmap (ASCR) in 14 APEC sub-fora. A cross-fora collaborative event is being proposed in the margins of SOM2 to support efforts in monitoring its implementation.

**GOS-EC:** a “Joint EC and GOS Symposium on Services and Structural Reform” will be organised in two stages, in the margins of SOM2 and SOM3.

**GOS-OFWG:** Collaboration on Australia’s self-funded project “APEC - Services that support the clean-up of marine debris.”

**GOS-SCCP and other fora** are expected to attend a virtual workshop and Trade Policy Dialogue under the project “APEC – Services that support the movement of essential goods.”

**GOS-SME:** GOS members were invited to attend the “APEC Conference on Public Policy, Fintech and SMEs: Recommendations for a New Financing Ecosystem” on 9 March.

## 5. Main outcomes from most recent plenary meeting

*Please provide in list format*

### **Implementation of ASCR Mid-term Review (ASCR MTR) recommendations**

- GOS members discussed the implementation the recommendations issued from the ASCR MTR and its Summary Report endorsed by Ministers in 2021. In recognition of recommendation 4 of the ASCR MTR to improve cross-fora collaboration, a proposal was circulated to add to the GOS terms of reference a requirement to organise an annual cross-fora and industry dialogue focused on the progress of the ASCR during SOM2 each year until 2025 to improve the monitoring of the ASCR process and get input from stakeholders (endorsement pending). In addition, further discussion is needed regarding recommendation 2 of the ASCR MTR on recalibrating targets and outputs that need to be updated or reconsidered. The Convenor committed to working together with economies to develop a proposal on this matter.

### **Support for Thailand’s priorities in 2022 and Aotearoa’s Plan of Action (APA)**

- GOS supports the BCG economy model and Thailand’s priorities for 2022 “Open, Connect, Balance” in different ways, including: (i) Open – work on services that contribute to the movement of essential goods; (ii) Connect– work on development of the APEC Index, on digitally enabled services, and on professional licensing; (iii) Balance – work on environmental and environmentally related services, and on marine debris.
- Members had a robust discussion on contributions from the GOS to the APA, its three economic drivers and collective actions. It was noted that many current activities in the GOS already support the APA, such as the five workstreams under the Final Push on Services and more generally the implementation of the ASCR. The GOS can also play a role of incubator of ideas on Environmental Services. Further, GOS work on services domestic regulation helps APEC economies implement their obligations in the multilateral trading system. It was also noted that further guidance will be needed to come up with a coordinated approach to monitoring and evaluating the APA.

### **CTI tasking to update in 2022 the progress of initiatives supporting the Declaration on Facilitating the Movement of Essential goods**

- Australia informed the GOS of upcoming activities to support the implementation on the “MRT Statement on Services to Support the Movement of Essential Goods”, in accordance with the first CTI tasking to conduct in 2022 the first review of work done to support the

2021 MRT Statement on Services to Support the Movement of Essential Goods. A virtual workshop will be held in March 2022 and a virtual Trade Policy Dialogue is being planned for May 2022.

#### **CTI tasking to take forward discussions on how to increase trade in environmental and environmentally related services**

- In accordance with the second tasking from the CTI to “take forward discussions on how to increase trade in environmental and environmentally related services, including by supporting liberalisation, facilitation, and cooperation, as agreed in the 2021 APEC Ministerial Statement”, New Zealand proposed the following activities on Environmental Services: (i) a self-funded project to develop a model schedule (positive list) of environmental and environmentally related services, drawing on the Reference List of Environmental and Environmentally Related Services; (ii) an APEC-funded project to contract experts to develop a regulatory handbook for environmental and environmentally related services.

#### **Final Push in Services**

- **Domestic Regulations (U.S.):** the U.S. will continue to support capacity building through the two proposals: (i) a self funded study of the implementation process and the benefits and challenges faced by APEC economies in meeting the new global standard, and (ii) a workshop on the margins of SOM3.
- **APEC Index (Canada):** The Technical Group for the Development of the APEC for measuring the regulatory environment in services trade was held on 17 February. Canada will work towards expanding the number of participating economies and sectors covered under the pilot program concluded in 2020. Canada will circulate a work plan and a related event will be planned in the margins of SOM3. Additionally, the U.S. will provide assistance to APEC economies to enable them to participate in this program.
- **Mutual Recognition of Qualifications and Licensing (Australia):** two self-funded projects focused on improving the cross-border mobility of professionals and professional services will be implemented. On-line workshops will allow to explore current and best practice in the use of digital credentials; and will also improve participants’ understanding of Mutual Recognition Agreements (MRAs) and their benefits. Outputs will also include: (i) maintenance of the APEC Mutual Recognition Agreement (MRA) Inventory website, (ii) APEC Mutual Recognition and Digital Credentialing Online Training, (iii) APEC Professional Services and Mutual Recognition Community of Practice.
- **Environmental Services (New Zealand):** see update in the previous section (CTI tasking to GOS)
- **Manufacturing Related Services (Malaysia):** Malaysia briefed on a Workshop on Manufacturing-Related Services held in December 2021 and is considering to submit a Concept Note for an APEC-funded physical workshop to be implemented in 2023.

#### **Support to the 2021 APEC Ministerial Statement**

- Australia circulated a self-funded project proposal “Joint EC and GOS Symposium on Services and Structural Reform” to be held in two stages, in the margins of SOM2 and SOM3. Outputs include a policy brief on EAASR and ASCR.
- Australia proposed a self-funded project proposal: “APEC - Services that support the clean-up of marine debris”. The project will include a policy brief (in collaboration with PSU) and a workshop to develop recommendations.

#### **Promoting services trade and investment in the Asia Pacific region**

- The “Private Public Dialogue (PPD) on Digitally Enabled Services: Challenges and Opportunities” will be organized by Chinese Taipei tentatively in July.
- A report on “APEC Best practices on developing services related statistics in mode 3” will be circulated soon for endorsement and release as an APEC Publication.
- The United States presented the self-funded project proposal “Recognizing Workers as Services Trade Beneficiaries: An Inclusive Analysis”. Outputs include a study, and a PPD to be held in the margins of SOM1 2023. Further discussion is needed prior to endorsement.

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

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

Yes, quorum was met for the meeting. All 21 APEC economies attended the event.

**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*

GOS members discussed the possibility of organizing an annual event in the margins of SOM2 with other APEC fora and relevant industry stakeholders to redouble efforts in implementing the ASCR.

**8. Decision points needed from CTI**

Seek CTI’s endorsement of the GOS Convenor’s Report.