



**Asia-Pacific  
Economic Cooperation**

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## **Summary Report - APEC Digital Trade Policy Dialogue 2022**



**APEC Digital Trade Policy Dialogue  
6 April 2022**

**Summary of the Digital Trade Policy Dialogue**  
**April 6/7, 2022**  
**Webex Event**

On April 6<sup>th</sup>, 2022 (EDT), the United States, with support of co-sponsors Australia, Canada, Chile, China, Indonesia, Japan, New Zealand, Peru, Singapore, Chinese Taipei, and Thailand, held a Digital Trade Policy Dialogue under APEC's Committee on Trade and Investment. This Dialogue explored key issues surrounding cross-border data flows, including the linkages between cross-border data flows and the health sector, as well as their application in the manufacturing and steel industries. It builds on ongoing discussions in APEC between private sector representatives and public sector officials first launched in 2016.

The event opened with welcome remarks from Ms. Carrie Esko, the Director for APEC Affairs at the Office of the United States Trade Representative (USTR). Ms. Esko remarked on the timely nature of the discussion and the importance of cross border data flows in the growth of the digital economy. She also emphasized the Pathfinder on Building Blocks for Facilitating Digital Trade as a way for APEC economies to continue examining issues related to digital trade and to discuss best practices in this area.

Panelists in the first session focused on cross border data flow barriers that APEC economies face and the regulatory frameworks that can be used to address them. Marcus Bartley Johns, Regional Director, Government Affairs and Public Policy, Asia at Microsoft, discussed the various trust concerns from economies regarding secure cross border data flows, and the importance of addressing these concerns. Speakers highlighted ways in which trust can be built through responsible data governance, standards, and certifications, and how companies can also build trust by letting individuals and organizations see what is happening with their data and allowing them to exercise choices. Mr. Johns reaffirmed the role of APEC as a crucial collaborative tool that encourages dialogue to help harmonize regulatory standards. Mr. Prapanpong Khumon, Associate Dean, Faculty of Law, University of the Thai Chamber of Commerce; and Advisor to Secretary-General of the Personal Data Protection Committee, Thailand provided an overview of Thailand's experience and its regulatory roadmap in creating safe and secure data flows at the economy level. Mr. Khumon covered several different methods of ensuring appropriate data protection safeguards, such as standard contractual clauses (SCCs) and model contractual clauses/certifications (MCCs). Mr. Khumon also examined another regulatory framework implemented in Thailand called the Personal Data Protection Act (PDPA), which governs data protection and outlines protocols in collecting and storing data. Mr. Khumon noted that capacity building efforts were key to ensuring an understanding of international standards and that implementation of these regulatory frameworks can happen at an economy level. Participant feedback included questions surrounding the role of these cross-border flow technologies in the context of SMEs, with speakers reemphasizing the need to have conversations about these technologies to build trust among both private and public sectors to achieve regulatory coherence and alignment.

The second session examined examples of cross-border data flows in the health and manufacturing sectors, hearing from businesses and other industry organizations on approaches to enable the availability and flow of data. Mr. Joseph Whitlock, Director, Policy and Executive Director, Global Data Alliance, BSA began with an overview of data transfers and how critical they are across sectors, allowing access to the global marketplace, introducing companies of all sizes to new technologies, and increasing productivity. Mr. Whitlock also explained the applications of cross-border data in the manufacturing and

automotive sectors and the importance of data transfers at every stage of the business value chain, from manufacturers using cloud-enabled data collection to stay competitive to the automotive sector utilizing data transfers for enhanced safety with over-the-air update capability to help quickly and securely move large amounts of critical and sensitive information. Mr. Whitlock also endorsed the use of toolkits as an effective way to help SMEs navigate an increasingly complex cross-border environment and increase understanding of cross-border privacy rules. Ms. Carla Cartwright, Senior Director, Global Regulatory and Digital Policy, Johnson & Johnson gave her perspective on data in healthcare. Technologies, such as “wearables” can serve as an important tool to consistently and accurately monitor important health information for cancer and other diseases. According to Ms. Cartwright, these secure data flows can build the critical trust needed between patients and health professionals, and offers accurate, real-time data to help bolster research and development initiatives for clinical researchers. Ms. Cartwright also noted the importance of continuing dialogue to bring in the diversity of perspectives across markets and warned about putting up restrictive barriers to cross border data flows that would hinder the accessibility to this important health data.

Lastly, Mr. Patrick Mandic, Co-Founder and CEO, Mavennet, spoke on his company’s approach to cross-border data flows in the steel industry. Despite large digitization efforts from companies to help better integrate supply chains, there are still a number of uncoordinated standards and procedures. The problem, Mr. Mandic notes, is the lack of clearly defined terms, leading to unclear guidance and a lack of trust among stakeholders. Mr. Mandic has looked into applying new technologies, such as AI-based systems and blockchain to help remedy these problems by improving end to end traceability and visibility. Mr. Mandic also discussed approaches to building up these technologies with the concept of a universal definition of a “virtualized asset” and “digital border clearance,” where products would have a digital certificate of origin and proof, thus drastically improving customs border clearance procedures and minimizing supply chain inefficiencies. Mr. Mandic also emphasized the need to continue working on the technical standards that allow for a frictionless flow in supply chains and information. In her concluding remarks, Ms. Carrie Esko discussed next steps, including holding an additional digital trade policy dialogue on the margins of the APEC Third Senior Officials’ Meeting (SOM 3), where APEC can continue to discuss these issues to promote the facilitation, harmonization, and security of cross-border data flows.