



**Asia-Pacific
Economic Cooperation**

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Session 2.5

Digital Economy Steering Group Chair's Report

Purpose: Information
Submitted by: DESG



First Senior Officials' Meeting
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DESG CHAIR'S REPORT TO SOM1 2023

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 1st DESG meeting in 2024 took place on 1-3 March 2024 in Lima, Peru, and included the DESG Data Privacy Subgroup (DPS) 48th meeting on 1-2 March and the DESG Plenary meeting on 2-3 March.

The meeting was attended by 17 member economies: Australia; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Korea; Mexico; New Zealand; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States; Viet Nam. In addition, in attendance at the meeting were CTI Chair, and representatives of ABAC and Centre for Information Privacy Leadership (CIPL).

Members organized a policy dialog on artificial intelligence (AI) governance, exchanging views on the development of generative AI and relevant approaches in member economies, including policy frameworks, industry specific approaches, regulatory sandboxes, etc.

Members held a discussion on the WTO moratorium on customs duties on electronic transmissions and UNCITRAL Model Law on Electronic Transferable Records (MLETR), exchanging views on members' approaches to these initiatives, including Australia's self-funded CTI project proposal *"A path to paperless trade: Analysing the legal gaps and economic benefit of adopting or maintaining a legal framework that takes into account the UNCITRAL Model Law on Electronic Transferable Records"*.

Members held a discussion on the economic impact of online scams, sharing information on member economies' mechanisms to address the growing threat of online fraud.

Members also discussed the implementation of the *APEC Internet and Digital Economy Roadmap (AIDER)* and potential areas for future work, including Australia's self-funded CTI project proposal *"Implementing the Principles for the Interoperability of Electronic Invoicing Systems in the APEC Region"*. Members also discussed DESG's contribution to the implementation of the *APEC Putrajaya Vision 2040*, including through the *Aotearoa Plan of Action*.

Members noted:

- Peru's presentation on APEC 2024 priorities
- DPS Chair's report on the outcomes of the DPS meeting
- CTI Chair's update on CTI's priorities, as well as CTI's collaboration with DESG

- Update from APEC Secretariat Program Director on APEC-funded projects
- DESG 2024 Work Plan, which is pending intersessional endorsement
- Updates on completed and ongoing projects:
 - Australia: *Measuring the Economic Relationship between Digitalisation and Digital Trade* (DESG 01 2024S)
 - Australia: *Fostering Greater SME Participation in Global Value Chains - Phase 2: Utilisation of Digital Technologies and Digitalisation* (CTI 01 2023S)
 - Australia: *Workshop on Building the Capacity of Digital Trade/e-Commerce Agreement Negotiators* (CTI 11 2023S)
 - China: *Fostering Rural Development Empowered by Digital Technologies for Inclusive Growth* (DESG 01 2023S)
 - China: *Cooperation on Artificial Intelligence Governance*
 - Mexico: *Policies and Tools for Improving Digital Economy and Competition in Digital Markets* (DESG 03 2022A)
 - Peru: *Sharing best policy practices to develop and promote MSMEs access to digital cultural and creative industries* (DESG 203 2023A)
 - Peru: *Research on potential applications of artificial intelligence to improve product recall procedures in the region* (DESG 202 2023A)
 - Peru: *Workshop on capacity-building for use of spectral signatures in remote sensing to identify environmental impacts in the mining sector* (DESG 204 2023A)
 - USA: *Catalyzing Stakeholders for Effective Implementation of Digital Licensing and Permitting Measures for Post-COVID-19 Economic Recovery* (DESG 05 2022A)
- New project proposals:
 - Korea: *Project on Trade Rules on A.I. for Enhanced Innovative Cooperation within APEC*
 - Chinese Taipei: *Workshop on Privacy Enhancing Technologies – Opportunities and Challenges*
 - USA: *Enabling MSMEs to Grow in the Global Economy by Operating Seamlessly Across the Omni-Channel Environment*
- Updates on digital economy developments from member economies: Chile; China; Indonesia; Peru; the Philippines; Singapore; Chinese Taipei; the United States
- Updates on digital economy developments a guest organization: Centre for Information Policy Leadership (CIPL)

Members also agreed on the reappointment of the current members of the APEC Cross-Border Privacy Rules (CBPR) Joint Oversight Panel (JOP) Ms. Shannon Coe (the United States), Ms. Makiko Tsuda (Japan) and Ms. Evelyn Goh (Singapore) for the next two-year term.

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

DESG plans to hold its next meeting during SOM 3 in August 2024 in Lima.