



**Asia-Pacific
Economic Cooperation**

2011/SOM2/MTF/005

Agenda Item: 9

Report on the ABAC 2010 Recommendations

Purpose: Information

Submitted by: APEC Secretariat



**5th Mining Task Force Meeting
Big Sky, United States
7–8 May 2011**

EXECUTIVE SUMMARY

The following is a summary of the actions that ABAC recommends APEC undertake to achieve balanced, inclusive, sustainable, innovative and secure growth for all in the region as put forward in this report:

A. Re-commit to achieving the Bogor Goals and develop a new vision.

ABAC's own review of progress towards the Bogor Goals clearly identifies that many member economies have become considerably more open since 1994. Further, ABAC acknowledges the important steps that have been taken to improve the ease of conducting business within APEC regional supply chains and value chains since the Bogor Goals were first conceived. However, the existence of remaining barriers to trade and investment and the changing nature of modern regional supply chains and value chains mean that more needs to be done to achieve the goals of free and open trade and investment in the region.

ABAC recommends that APEC Leaders develop a new vision, which sets an aspirational goal for APEC, building on its achievements and looking towards the future extending beyond the Bogor era. The new vision should re-commit APEC economies to achieve free and open trade and investment and promote deeper regional integration to achieve balanced, inclusive, sustainable, innovative and secure growth. As the new vision is developed, APEC economies should adopt and publish annually a set of regional integration metrics. The new vision should seek to liberalize flows of goods, services, investment, technology and people across the region and be developed in consultation with business.

B. Make further progress towards achieving FTAAP.

ABAC believes that the Free Trade Area of the Asia-Pacific (FTAAP) is an aspirational but achievable vehicle for delivering free and open trade and investment within the Asia-Pacific region. It urges APEC Leaders to make decisions at their Yokohama meeting on possible pathways for achieving FTAAP so that work to develop these pathways can proceed in line with APEC basic principles and ultimate goal for regional economic integration, to

ensure all-inclusive participation by APEC economies, and so that business can play an active role in helping define the forward agenda.

C. Identify new business requirements.

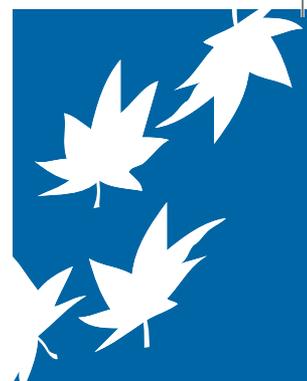
ABAC has developed further ideas on new business requirements that could be included in future Free Trade Agreements (FTAs), whether FTAAP or other pathfinder agreements. Alongside market access, future FTAs should address market integration and take into account the needs of the digital economy, the services sector as well as principles for regulatory cooperation and processes for achieving regulatory cooperation and coherence.

D. Resist protectionism.

ABAC's ongoing monitoring of the incidence of protectionism over the past year has identified several examples of economies, including APEC members, taking actions which, while WTO-compliant, have the effect of impacting negatively on trade and investment. While most APEC members have not resorted to such measures and have in fact liberalized trade and investment, some have continued to take trade restrictive measures. Measures notified to ABAC include raising tariffs, imposing regulations discriminating against imports and exports, providing government aid and offering export subsidies. ABAC urges APEC Leaders to re-affirm APEC's commitment to open markets and to an effective standstill and withdrawal of all new trade restrictive measures, whether WTO-compatible or not.

E. Conclude the Doha Development Agenda.

ABAC is deeply disappointed that the global community has failed to find the necessary political will to complete the WTO Doha Development Agenda (DDA) in 2010. APEC economies have a role to play in showing flexibility in the negotiation and engaging with non-APEC economies, building on progress already made, to complete the round and ensure the WTO remains relevant to business. ABAC urges APEC Leaders to do all they can to ensure DDA is completed in 2011.





F. Facilitate investment flows. ABAC believes that APEC economies must step up efforts to make investing in the region easier, cheaper and faster. In addition to a focused program on investment facilitation, APEC must also maintain an active program to promote liberalization of investment. Progress towards APEC's stated objectives must be measured to ensure that APEC's efforts improve the ability of the private sector to conduct business across the region. ABAC supports the adoption and implementation of the Roadmap for Investment in a manner that achieves results and recognizes the realities of doing business. ABAC has reviewed the 1994 APEC Non-Binding Investment Principles and recommends that Leaders adopt its proposed improvements to ensure that they continue to promote both foreign and domestic investment in the face of the changes in the way business is conducted in the region.

G. Facilitate the flow of goods and services. ABAC welcomes ongoing efforts to simplify, harmonize and increase the transparency of regulations and processes related to the flow of goods and services across borders through the Single Window, Trade Facilitation Action Plan (TFAP) II and Supply Chain Connectivity Framework initiatives. However, economies need to undertake further and more far-reaching efforts in order for the private sector to benefit fully from the results of APEC's trade facilitation initiatives. ABAC urges APEC to consider improving on existing measurements and indices as a reference to assess progress under TFAP II and the Investment Facilitation Action Plan. It urges APEC economies to share experiences in order to identify best practices that will contribute to the facilitation of business operations across the region.

H. Accelerate SMME capacity building efforts. There is a pressing need, in recognition of the economic contribution by small, medium and micro-enterprises (SMMEs), to create a conducive environment to strengthen their role in APEC economies by delivering balanced, inclusive, sustainable, innovative and secure growth. ABAC encourages targeted policies in the areas of productivity, innovation, financial inclusion and export fostering. SMME education is another

important capacity building activity since raising awareness on tools and resources, such as ICT, skills development programs and new business models, can help SMMEs grow. Outreach programs to capture, disseminate and foster micro-enterprise activities would secure inclusiveness and broaden the base for economic contributions. ABAC urges APEC economies to further improve SMME access to finance, facilitate greater ICT utilization by regional SMMEs, undertake capacity building programs to advance innovative growth, and develop common principles for ethical business practices for SMEs.

I. Ensure food security. The recommendations contained in ABAC's document "Strategic Framework for Food Security in APEC" should be integrated into APEC's food security work plan. ABAC urges APEC to pay particular attention to: (a) re-commitment by Leaders to an APEC Food System that ends subsidies, import restrictions and other distortions in food trade; (b) creation of a high-level entity, that includes the private and research sectors, to coordinate APEC's work on food issues; and (c) achievement of a true sense of food security by committing APEC economies to ending all export embargoes, quantitative restrictions and export taxes for food products traded between APEC member economies.

J. Address energy security. ABAC strongly recommends continued engagement between governments and the private sector in order to provide the essential perspective on the real impact of proposed policy and regulatory measures on actual markets, consumption patterns, and productivity, with due consideration for the energy security concerns of suppliers from the demand side. ABAC urges APEC economies to focus in the near term on improving efficiency and conservation; work to secure wider use of low-carbon fossil fuels; consider nuclear energy and study its feasibility in individual APEC economies as a low emissions source of power generation; continue to focus on the development and management of renewable energy; eliminate distortions and promote efficiencies in energy markets; expand emphasis on developing 'clean' energy and promote innovation in energy

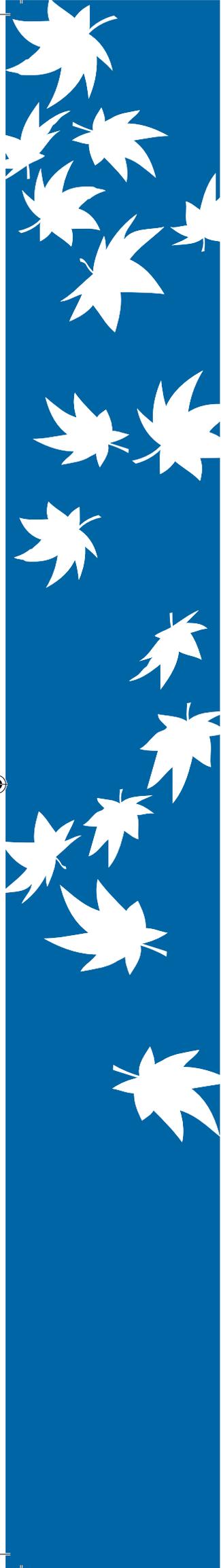
and related technologies as a core pillar of a complete APEC energy security approach; and develop and implement APEC regional energy security strategies in the context of the overall global energy security situation.

- K. Address skilled personnel shortages.** To ensure that the lack of skilled personnel does not become an impediment to sustained economic growth, economies need to develop and maintain policies and programs to manage their talent needs. APEC should take actions, including capacity building and sharing of best practices, to ensure each economy is able to promote inclusive growth through implementation of effective people management systems. A comprehensive people management system would include: (a) a facility for economy-wide skills mapping; (b) programs for targeted training/retraining of domestic human resources; (c) means to assess where shortages can be addressed through delivery of services from remote locations; and (d) policies that enable industries to address shortages that require physical presence of talent.
- L. Ensure trade security.** ABAC welcomes the establishment of APEC's Authorized Economic Operator (AEO) Working Group and their decision to commence a study on an APEC-wide AEO program. It urges the AEO Working Group to develop a concrete program which focuses on mutual recognition and puts emphasis on tangible benefits for AEO-certified companies. Further consideration is also necessary to eliminate redundancy between the AEO program and other security programs.
- M. Harmonize transportation safety regulations.** Given the global nature of modern supply chains, ABAC urges the harmonization of transportation regulations on an international basis to achieve both safety and the facilitation of trade. Standards in each economy should be aligned with those set by relevant international organizations and where international standards do not exist, the introduction of an appropriate international framework to establish globally harmonized regulations should be encouraged. APEC

economies should promote capacity building activities to ensure transportation safety by encouraging compliance with current regulations among relevant supply chain operators.

- N. Promote safety in the logistics supply chain.** To assist in meeting the increasing freight challenge to allow for the smooth and safe flow of goods and services, ABAC urges APEC economies to support work it is undertaking on the development and application of a heavy vehicle safety guide. Such work would serve as a means to identify areas for action and to provide tools for decision makers and practitioners to improve their awareness of means to strengthen safety measures. It further urges APEC economies to work with ABAC on a pilot project on developing case studies and local experience on road safety measures.
- O. Enhance competition policy.** ABAC believes that cross-border trade and investment can gain momentum through further development of transparent and consistent environments which ensure procedural fairness in mergers and other competition policy-related cases. This applies to economies with mature competition policy regimes as well as those in the nascent stages of development. Following the successful staging of the first public-private sector dialogue between ABAC/private sector representatives and the APEC Competition Policy and Law Group, ABAC urges the holding of a second dialogue to examine best practices of procedural fairness both in mergers and other cases with the view to establishing common principles for procedural fairness in APEC economies, reflecting consensus of all APEC competition authorities. In particular, the different stages of development among APEC member economies must be fully taken into account.
- P. Further improve business mobility.** The APEC Business Travel Card (ABTC) has improved the mobility of business people in the APEC region and is an example of an APEC initiative that provides direct and tangible benefits to business. ABAC urges APEC economies to continue to enhance the operation of the ABTC scheme





by shortening the processing time for pre-clearance, simplifying the renewal process, improving online service, ensuring recognition of the card at the ports of entry, and providing clearly marked priority lanes. It further urges APEC to study the possibility of extending additional benefits for ABTC holders such as expanding the area of usage of the ABTC beyond APEC economies, especially the EU.

Q. Strengthen intellectual property rights cooperation.

Patents are an important tool for protecting intellectual property rights and promoting innovative growth. Explosive growth in global investment in research and development has contributed to a backlog of 3.5 million unprocessed patent applications. Critical to addressing this increase in patent applications will be enhancing and broadening patent acquisition cooperation efforts between patent offices in the Asia-Pacific. ABAC urges APEC to develop a set of framework principles that would govern patent applications work sharing and develop legal and technical modalities necessary for their implementation. To improve border enforcement of intellectual property rights, ABAC recommends enhanced information sharing among patent offices as well as the private sector. It also attaches importance to the necessity of maintaining a proper balance between the protection of the intellectual property rights of holders and the rights of the general public.

R. Increase transparency and fight corruption.

APEC Leaders have recognized the central importance of increasing transparency and fighting corruption, both as vital goals in their own right and as essential contributors to sustainable development, economic growth and good governance within the Asia-Pacific region. They have endorsed a number of robust deliverables to address corruption and increase transparency; however, evidence is scant regarding the extent of APEC action on these commitments. Public reporting would provide the best means for APEC Leaders to demonstrate that they are moving forward on these commitments. ABAC calls for APEC Leaders to consider the possible annual reporting on

implementation of transparency and anti-corruption commitments, with benchmarks and timetables for full implementation. The inaugural report could be issued by the November 2011 Leaders' Meeting in the United States.

S. Support industry dialogues.

ABAC welcomes the work being carried out by the industry dialogues, notably the principles for best practice chemicals regulation by the Chemical Dialogue, the Automotive Dialogue's focus on green vehicles advanced technologies, and the regulatory harmonization agenda of the Life Sciences Innovation Forum (LSIF). The regulatory harmonization agenda of the Chemical Dialogue and LSIF should be accorded priority as significant regional economic integration deliverables and as an initiative that promotes economic growth in the case of the former and human health in the case of the latter. ABAC also welcomes the initiative of the Chemical Dialogue to develop a strategic framework through 2012 with the goal of developing a coordinated approach to the international chemicals agenda. It supports the extension of the landmark LSIF Framework Study on the Returns to Investment in Health Innovations to include infectious diseases and the dynamic effects on economic growth and looks forward to working with LSIF as the study progresses.

T. Promote environmental-friendly goods and services.

The introduction of energy efficiency labeling accelerates dissemination of environmental goods and services (EGS) and ABAC is pleased that many economies have already implemented these labeling systems. ABAC also encourages APEC to accelerate efforts to promote energy efficiency and conservation actions on the demand side. In particular, it urges APEC economies to explore mutual recognition of other economies' labeling systems on a pathfinder basis, identify ways to pursue policies to help dissemination such as through incentives, and develop criteria to measure the energy efficiency of buildings.

U. Tackle climate change. Noting that Leaders in their 2009 Leaders' Declaration reaffirmed a commitment to tackle the threat of climate change, ABAC recommends that, in the design of any measures to tackle greenhouse gas (GHG) emissions, regard should be had to the impact of reduction measures on food production and distribution, and food safety and security generally. Further, APEC economies should develop standard metrics to assess efficiency, preferably by sector, and assist in measuring progress and quantifying results. APEC should consider developing an APEC Low-Carbon Pathfinder Scheme under which low-carbon policy measures by each economy would be systematically and transparently prioritized and reviewed, with reports published annually or biannually.

V. Promote human capacity building. ABAC believes that human capacity building must be a core feature of the APEC growth framework. It recommends that APEC economies: (a) promote information communication technology (ICT) applications in human resource development by conducting experimental demonstrations of education and training systems using ICT in order to introduce the most appropriate infrastructure and application; (b) reform the educational system by institutionalizing a culture of entrepreneurial innovation and creative thinking; and (c) give the Voices of the Future Program a more permanent profile in the Leaders' Summit to provide continuity in carrying the APEC program forward with the next generation of Leaders.

W. Strengthen and deepen the region's capital markets. ABAC underscores the importance of exit strategies and policy coordination among APEC economies in light of the nascent recovery of the global economy following the global financial crisis and renewed financial turbulence, notably in Europe. Care must be taken in selecting the timing of implementation of exit strategies. Fiscal and monetary policies should reflect each economy's specific situation while maintaining close global collaboration. APEC economies should further promote regional financial

integration and seek initiatives (e.g., cross-border securities collateral management) that enable them to prepare for emergencies which occur outside the region.

ABAC recommends continuous international and domestic efforts to advance capacity building efforts to strengthen and deepen the region's capital markets, inter-alia by: encouraging the co-existence of Islamic and conventional financial systems to promote greater financial system resilience; launching an Asia-Pacific Infrastructure Partnership as a pathfinder initiative to facilitate the growth of infrastructure public-private partnership (PPP) in the region; further promoting bond and equity markets, including through the establishment of wholesale securities markets open only to professional investors; and creating a task force within APEC to discuss the implementation of the International Financial Reporting Standards (IFRS), in cooperation with the International Accounting Standards Board (IASB). ABAC underscores the important role of the public sector in implementing appropriate legal framework to promote environmental finance and SMME finance, paying sufficient attention to the people at the bottom of the economic pyramid.



MATRIX OF APEC 2011 WORK PROGRAM AND ACTIVITIES IN AREAS RELEVANT TO ABAC 2010 RECOMMENDATIONS

ABAC 2010 recommendations	Corresponding APEC work program ¹	Developments from SOM 1
A. Re-committing to the achievement of the Bogor Goals and developing a new vision	<ul style="list-style-type: none"> SOM to explore an appropriate process to review APEC economies' progress toward the Bogor Goals of free and open trade and investment. 	<ul style="list-style-type: none"> CTI will work with the APEC Secretariat, its Policy Support Unit and ABAC inter-sessionally to develop a proposal to streamline the Individual Action Plans (IAP) and the IAP review process for consideration at CTI2/SOM2 in Big Sky, Montana.
B. Making further progress towards achieving FTAAP	<ul style="list-style-type: none"> SOM/CTI to take concrete steps toward realization of an FTAAP by playing a critical role in defining, shaping, and addressing the "next generation" trade and investment issues that an FTAAP should contain. CTI/IEG, GOS, ECSG, MAG, SCSC, SCCP to contribute to the pursuit of an FTAAP by continuing and further developing its work on sectoral initiatives in such areas as investment, services, e-commerce, rules of origin, standards and conformance, trade facilitation, and environmental goods and services. 	<ul style="list-style-type: none"> A survey to help developing economies to identify their capacity building needs, including upgrading of negotiation skills for establishing larger-scale FTAs/RTAs was conducted. A copy of the report was tabled at CTI1 in Washington, D.C as 2011/SOM1/CTI/023. A multi-year capacity building action plan will be developed for CTI's consideration to follow up on the completed survey. The CTI held a trade policy dialogue on 7 March to discuss what APEC could do to define, shape and address next generation trade and investment issues in response to APEC Leaders' instructions in Yokohama last year. A Friends of the Chair (FOTC) group was established to work towards determining a list of next generation trade and investment issues to be submitted for consideration at CTI2. HRDWG to contribute to capacity building for the achievement of FTAAP and sustainable growth.
C. Identifying new business requirements (regulatory principles, services,	<p><i>Services:</i></p> <ul style="list-style-type: none"> CTI/GOS to continue to implement the APEC Services Action Plan. CTI/GOS to work toward developing a database of regulatory requirements in the services sector on a voluntary basis. 	

¹ This work program is adapted from the APEC Leaders'/Ministers' Taskings for APEC 2011 as defined in the Yokohama Outcome Documents

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<p>digital economy)</p>	<p><i>Standards, conformity Assessment, and Technical Regulations:</i></p> <ul style="list-style-type: none"> • CTI/SCSC to undertake work to improve use of good regulatory practices, including by updating and consolidating related existing APEC instruments. • CTI/SCSC to continue technical work related to the APEC Toy Safety Initiative. 	<ul style="list-style-type: none"> • CTI agreed that the first dialogue of the APEC Regulatory Cooperation Process Advancement Mechanism (ARCAM) would address the issue of Interoperability Standards for Smart Grid. This dialogue will take place in the margins of CTI2 in Big Sky, Montana on 12-13 May 2011. The CTI also agreed to explore how it could best address the proposal for regulatory cooperation on Submarine Communications Cable Protection. • The 6th Conference on Good Regulatory Practice was held on 1-2 March 2011.
	<p><i>Digital Economy:</i></p> <ul style="list-style-type: none"> • CTI/IPEG, CTI/ECSG, , CTI/LSIF to take forward the work under the digital prosperity agenda by more thoroughly examining ways, including policy and regulatory environments, that will best enable economies to support innovation, allowing them to access the type of ICTs that increase economic efficiencies and productivity, utilize smart ICT applications, and improve the livelihoods of the people of the APEC economies. • TEL to achieve universal access to broadband in all APEC economies by 2015. • CTI/ECSG to complete the remaining elements of the Cross-Border Privacy Rules (CBPRs) for the implementation of the CBPRs System. 	<ul style="list-style-type: none"> • CTI is discussing a proposal for an APEC Initiative on Innovation and Trade in Technology that is intended to assist APEC economies in fulfilling Leaders' instruction by (1) developing and agreeing on core concepts of effective, non-discriminatory, market-driven innovation policy; and, (2) developing an implementation and capacity-building plan that will assist economies in incorporating the core concepts into their innovation policies. • HRDWG will contribute through capacity building to support each economy's ICT access and utilization in workforce training and education in APEC region.
	<p><i>APEC New Strategy for Structural Reform (ANSSR):</i></p> <ul style="list-style-type: none"> • Economies to announce plans setting forth priorities for structural reform, as well as objectives, policies and approaches to measuring progress toward those priorities by 2015. • SOM, EC to compile APEC economies' structural reform plans, as set forth by each economy. 	<ul style="list-style-type: none"> • At SOM 1, EC members discussed possible mechanisms to facilitate the next phase of APEC's structural reform agenda. Members also discussed ways to contribute in wider ANSSR framework. • In Washington DC, two workshops were organized to this agenda, ie: Workshop on "Advancing Good Corporate Governance by Promoting Utilisation of the OECD Principles of Corporate Governance" on 2 March 2011; Workshop on

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	<ul style="list-style-type: none"> SOM/SFOM, EC, HRDWG, SMEWG, GFPN to actively promote, coordinate, monitor, and review the implementation of the ANSSR, including capacity-building. 	<p>“Using Regulatory Impact Analysis to Improve Public Consultation in the Rulemaking Process” on 3-4 March 2011. Further activities are being considered by members.</p> <ul style="list-style-type: none"> Australia informed its proposed plans for the use of the A\$3 million Australia APEC Partnership for Economic Reform (AAPER) initiative which was earlier announced in 2010 Leaders Meeting. The aim of the AAPER is to increase the capacity of APEC developing economy members to implement their structural reform agenda in line with the ANSSR. Among activities being planned include an ANSSR Symposium in Big Sky Resort (May) and Residential Workshop in Singapore (August). <p>This year’s APEC Economic Policy Report (AEPR) from EC on “Taking Stock of the Progress in the LAISR Initiative and Structural Policies in APEC Economies” will review progress in the LAISR initiative and structural policies in APEC economies. The report will be produced for MRT 2011</p>
<p>D. Resisting protectionism</p>	<ul style="list-style-type: none"> PSU/APEC Secretariat (in collaboration with the WTO, ABAC, UNCTAD, and IMF) to monitor development on trade and investment measures in the APEC region. 	<ul style="list-style-type: none"> (Refer to PSU/CTI’s work in G: Facilitating the flow of goods and services). PSU plans to present a document on SOM 2 and MRT concerning key trends and developments relating to trade and investment measures and their impact on the APEC region.
<p>E. Concluding the Doha Development Agenda</p>	<ul style="list-style-type: none"> APEC fora to continue work to support the initiative on “Aid-for-Trade” in helping developing members increase their participation in and realize the benefits of the multilateral trading system. 	<ul style="list-style-type: none"> Ministers Responsible for Trade are expected to discuss the Doha Round at their upcoming meeting on 19-20 May. ED will participate in the WTO Global Review on Aid-for-Trade in July 2011.
<p>F. Facilitating investment flows</p>	<ul style="list-style-type: none"> CTI/IEG to take actions laid out in the APEC Strategy for Investment, including holding the APEC Public-Private Dialogue on Investment CTI/IEG. CTI/IEG to establish a methodology for measuring progress on the implementation of IFAP. 	<ul style="list-style-type: none"> The 1st session of the APEC Public-Private Dialogue on Investment was held on 4 March 2011 in Washington. CTI/IEG continues to work on how it could best take forward the implementation of the IFAP, including an assessment of the progress on the implementation of IFAP. IEG to discuss ABAC proposal on updating Non-Binding Investment Principles.

ABAC 2010 recommendations	Corresponding APEC work program ¹	Developments from SOM 1
<p>G. Facilitating the flow of goods and services</p>	<ul style="list-style-type: none"> • CTI to complete the final assessment of the Trade Facilitation Action Plan II (TFAPII). • CTI/SCCP/MAG/SCSC/ECSG, TPTWG, EWG, SFOM, SMEWG, TEL to Implement the APEC Supply-Chain Connectivity Framework with a view to achieving an APEC-wide target of a ten percent improvement by 2015 in supply-chain performance in terms of reducing the time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, taking into consideration individual economy's circumstances. 	<ul style="list-style-type: none"> • CTI agreed on an approach for the final assessment of the Trade Facilitation Action Plan II (TFAPII) to be undertaken by the PSU. The final assessment will comprise the following steps: (i) Direct estimation of the change in trade transaction costs over the TFAPII period (2007-2010), utilizing the annually updated World Bank data from its Doing Business project, ensuring continuity with the Interim Assessment results; and (ii) Assessment of the contribution of relevant actions and measures in each TFAP sub-group towards the goal of trade transaction cost reduction. This part would include a mix of quantitative measurement of the revised KPIs, case study/ies, and qualitative analysis of actions and measures. • CTI continues to utilize the FOTC and its focus groups to oversee the implementation of the action plans under the Supply-Chain Connectivity Framework to address the eight choke points. Several initiatives were being pursued. Details can be found in the CTI report to SOM (2011/SOM1/015).
	<ul style="list-style-type: none"> • CTI/MAG to continue to develop capacity-building projects to support wider participation in the APEC Self-Certification of Origin pathfinder. • EC, CTI/SCCP to undertake additional Phase 2 programs to progress toward the aspirational APEC-wide target of making it 25 percent cheaper, faster, and easier to do business by 2015, and to achieve a 5 percent improvement by 2011. • EC, CTI/SCCP to assess the progress made under the EoDB Action Plan. 	<ul style="list-style-type: none"> • Three APEC Self-Certification Workshops have been held since the adoption of APEC Self-Certification of Origin pathfinder: in Kuala Lumpur, Malaysia from 11-12 October 2010; in Pasig City, Metro Manila, Philippines on 10 – 11 February 2011; and in Brunei Darussalam from 4-5 April 2011. A fourth Workshop is being planned to take place in Viet Nam later in the year. • At EC1 Plenary in Washington DC on 5-6 March 2011, a policy discussion on Ease of Doing Business was conducted. Members discussed how to assess the progress up to 2011 and noted that all Phase I activities are completed. EC further discussed the next steps on advancing EODB Phase 2 programs on economy-specific diagnostics and recommendations for improvements,

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		including whether there is any relevant APEC funds to tap for Phase 2 programs.
H. Accelerating SMME capacity building efforts	<i>Entrepreneurship and SMEs development:</i> <ul style="list-style-type: none"> SOM (to monitor progress annually), SMEWG to implement the "Strategy for Reinvigorating Economic Growth with Dual Engine: SME and Asia-Pacific Economy". SMEWG to develop codes to better align industry practices across APEC economies related to ethical business practices needed to sustain participation in international trade. SMEWG, CTI to take steps to identify and address barriers that SMEs face in trading in the Asia-Pacific region. SFOM to implement the APEC Financial Inclusion Initiative to identify concrete actions that financial policy makers can take to expand the reach of financial services to the underserved. 	<ul style="list-style-type: none"> CTI & SMEWG members are working interessionally on a proposal by the United States for "addressing barriers to trade for small and medium-sized enterprises in APEC (2011/SOM1/CTI/012). The plan is to reach agreement on projects for each identified barrier by CTI2 and SMEWG1 in Montana.
	<ul style="list-style-type: none"> HRDWG to provide adaptable skilled workforce for SME through skills training, nurture entrepreneurship among young generation through education, and contribute to the development of SME through capacity building in workplace condition and labor protection. 	
	<i>Innovative growth:</i> <ul style="list-style-type: none"> CTI/ECSG, IPEG, SCSC, TEL, ISTWG to take steps to promote innovative growth, as outlined in the APEC Growth Strategy. 	<ul style="list-style-type: none"> SCE-COW endorsed the ISTWG Medium Work Plan which emphasized on promoting, commercializing and sharing information on innovation
I. Ensuring food security	<ul style="list-style-type: none"> Economies, SOM to monitor progress annually to implement the APEC Action Plan on Food Security. CTI/SCSC to further work to develop and improve localized and suitable food safety systems in 2011, including planned work to strengthen laboratory capacity and to reduce the negative impact of food safety incidents on public health and trade. 	<ul style="list-style-type: none"> MAG agreed at SOM1 to launch a new workstream to address NTBs affecting food and agricultural trade in the region. FoTC on Food Security met at SOM 1. The Meeting took note of the High Level Food Security Meeting to be held in Big Sky, Montana in May 2011. The Meeting will serve as a platform for dialogue between different stakeholders and government officials.

ABAC 2010 recommendations	Corresponding APEC work program ¹	Developments from SOM 1
<p>J. Addressing energy security</p>	<ul style="list-style-type: none"> Economies, EWG, SFOM, TPTWG to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services, and review progress toward this goal on a voluntary basis. Economies, EWG to intensify analysis of the potential for further energy intensity improvements with a view to committing to an enhanced goal. Economies, EWG, Asia Pacific Energy Research Centre (APEREC) to promote energy efficiency through the Peer Review on Energy Efficiency (PREE) and the Cooperative Energy Efficiency Design for Sustainability (CEEDS) and consider follow-up efforts including capacity building activities, policy research support, and processes to gauge the success of member economies' efforts to implement the recommendations of these programs. 	<p>EWG members agreed on 2011 tasks to achieve a more balanced, inclusive, innovative, secure and sustainable energy, as follows:</p> <ul style="list-style-type: none"> Enhance energy security; Promote energy efficiency, low-carbon policies; Assess potential for reducing energy intensity beyond the 25 percent aspirational goal; Improve access for environmental goods and services; Promote green jobs, education and training; Promote private investment in green industries and production processes. <p>Implementing the instructions from APEC Energy Ministers in their meeting in Fukui, Japan, (June 2010), EWG continues to follow the following issues:</p> <ul style="list-style-type: none"> Continue to working on energy-efficient buildings and appliances; More research in potential savings from electrification of the transport sector, energy efficient freight, transit-oriented development; Smart grid technologies to integrate renewables, and boost efficient energy use; and Low-carbon communities to manage energy consumption in urban areas. <p>EWG is also starting work on the Energy Smart Communities Initiative (ESCI) with activities on smart transport, smart buildings, smart grids and smart jobs.</p>

ABAC 2010 recommendations	Corresponding APEC work program ¹	Developments from SOM 1
<p>K. Ensuring trade security</p>	<p><i>AEO, Trade recovery, secure growth:</i></p> <ul style="list-style-type: none"> • CTI/SCCP to develop APEC AEO Best Practices based on the APEC AEO Compendium. • CTI/SCCP to continue efforts to develop a template for information exchange for the Trade Recovery Programme. • SOM to supervise, with CTTF as lead coordinator, TPTWG, CTI/SCCP, BMG, SOM to develop a consolidated strategy on counter-terrorism and secure trade. 	<ul style="list-style-type: none"> • The SCCP endorsed the next step in the AEO Action Plan which is the dissemination of a questionnaire to assess the development of AEO's in the region upon which a Capacity Building Plan will be developed. • The SCCP endorsed the U.S. proposal to develop a communication network to facilitate the resumption of trade. It was also agreed that individual economies' mandates should be taken into account as this work is taken forward.
	<p><i>Emergency preparedness:</i></p> <ul style="list-style-type: none"> • SCE/EPWG to further develop practical disaster risk management and research mechanisms with a focus on strengthening business and community resilience, enhancing public private partnerships, and reducing emergencies and natural disaster risks. 	<p>The Emergency Preparedness Working Group (EPWG) met in March 2011 in Washington DC, the United States. Issues discussed include:</p> <ul style="list-style-type: none"> • Aligning the EPWG's website with other international fora that deal with emergency preparedness and business resilience. • Organizing a Policy Dialogue involving expert speakers from APEC, international organizations and business to broaden perspectives for the work of the EPWG. This is tentatively scheduled to be held in the margins of the Senior Disaster Management Officials' Forum in September 2011 in San Francisco, the United States. • Emergency preparedness was also discussed by SOMs in March 2011 in Washington, DC, the United States where it was agreed that emergency preparedness and emergency management issues should receive a higher priority within APEC: including through the implementation of a project on Private Sector Emergency Preparedness to be held later in 2011
<p>L. Harmonizing transportation</p>	<ul style="list-style-type: none"> • TPTWG/Land Transport Experts Group (LEG)/Subgroup on Road Safety (LEG-SAF)/Sub-group on Vehicle Standards 	

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<p>safety regulations and promoting safety in the logistics supply chain</p>	<p>Harmonization (LEG-VSHG) to continue work on road safety harmonization including matrix project for economies to share information on road safety strategies and targets, compendium on best practices on motorcycle and scooter safety, and project on road safety measures for heavy vehicles in APEC transport supply chain.</p> <ul style="list-style-type: none"> • TPTWG to conduct information-sharing on rail safety, particularly level crossing safety, and presentations on rail/level-crossing safety; to formulate a matrix to show each economy's progress with harmonization and ongoing work on technical issues; to develop an Internet discussion forum to assist economies to better understand the technical issues relating to the UN ECE regulations and their application. 	
<p>M. Enhancing competition policy</p>	<ul style="list-style-type: none"> • EC/CPLG to continue work on competition policy including the competition policy annual training program, developing an effective work program on competition advocacy; updating the Competition Policy and Law Database; organizing roundtable with ABAC. 	<ul style="list-style-type: none"> • The Second CPLG-APEC Business Advisory Group (ABAC) joint session was held 7-8 March 2011 in Washington DC with participation from ABAC/private sector guests. Members exchanged views on procedural importance to proceedings in the merger and non-merger context. • An annual training course on competition policy, with the theme of 'Effective Mechanisms Against Cartel Offences' to be held on 10-11 October 2011 in Penang, Malaysia.
<p>N. Improving business mobility</p>	<ul style="list-style-type: none"> • CTI/GOS, CTI/BMG to implement the APEC Strategy on Movement of Business People. 	<p>At SOM I, the BMG agreed to the following key actions:</p> <ul style="list-style-type: none"> • Reviewing the BMG's Professional Immigration Service standards. A desired outcome of this review would be to highlight the importance of professional conduct, ethics, courtesy, efficiency, and systems support in developing a workforce of skilled border officials and encouraging the implementation of professional immigration service standards by all member economies. • Assessing the feasibility of trialling the use of ABTC cardholders' biometrics through existing Automated Border Control Systems in the region.

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		<ul style="list-style-type: none"> • Finalising and implementing the newly designed ABTC that includes enhanced security features. • Trialling a web-based version of the Regional Movement Alert System (RMAS) between Australia and the Philippines to determine the ability to expand RMAS to other economies without the need to set up and maintain a physical communications link with the RMAS Broker in Australia. • Working with other APEC fora such as the SCCP and CTTF to identify areas of common interest and collaboration to facilitate the safe and secure movement of business people.
<p>O. Strengthening intellectual property rights cooperation</p>	<ul style="list-style-type: none"> • CTI/IPEG, CTI/SCCP to further work to reduce the proliferation of counterfeit and pirated goods through cooperative efforts such as the APEC Anti-Counterfeiting and Piracy Initiative. • CTI/IPEG, CTI/SCCP to enhance cooperation between authorities and stakeholders to strengthen intellectual property enforcement by holding public-private dialogues. 	<ul style="list-style-type: none"> • The SCCP endorsed the U.S. proposal for SCCP collaboration to conduct a mutual voluntary enforcement operation of counterfeit pharmaceuticals in the postal and express consignment environment. • The SCCP agreed to the need to update the APEC Guidelines for Customs Border Enforcement on IPR Infringement based on Japan's proposal. Hong Kong, China supported Japan's proposal and volunteered to co-lead. • ACT, IPEG and LSIF jointly hosted an "APEC Dialogue on Corruption and Illicit Trade: Combating Counterfeit Medicines and Strengthening Supply Chain Integrity" at SOM1. • An IPEG-Private Sector Dialogue was held at SOM1, which covered two issues: recent developments in online counterfeiting and piracy, and leveraging cutting edge technologies for economic growth.
<p>P. Increasing transparency and fighting corruption</p>	<ul style="list-style-type: none"> • SOM, ACT to explore and implement appropriate procedures for public reporting by member economies on their progress in implementing APEC commitments on anti-corruption/transparency. • Economies to encourage, where applicable, economies to ratify the UN Convention against Corruption and UN Convention against Transnational Organized Crime and to take measures to implement their provisions, in accordance with economies' legal 	<ul style="list-style-type: none"> • The draft ACT Five Year Strategy discussed in SOM 1 emphasizes the necessity to work with ABAC in order to identify and pursue practical strategies to combat money laundering, illicit trade, and dismantle illicit networks. • 2011 ACT Work Plan also provides that ACT aims to work closely with ABAC and other APEC fora and subfora to identify more effective strategies to combat corruption and

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	<p>frameworks to dismantle corrupt and illicit networks across the Asia Pacific region.</p> <ul style="list-style-type: none"> • ACT, CTI to enhance our efforts to improve transparency and eliminate corruption, including through regular reporting on economies' progress in meeting commitments on anti-corruption and transparency. 	<p>illicit trade across the Asia Pacific region, specifically including counterfeit medicines, building on ACT-ABAC November 2010 Roundtable in Sendai.</p> <ul style="list-style-type: none"> • An ACT-ABAC session on Leaders Regular Reporting and Progress on Implementing APEC Commitments is expected to be held during SOM III
<p>Q. Supporting industry dialogues</p>	<ul style="list-style-type: none"> • CTI/CD to continue working on best practices for sound chemicals management in the region. 	
<p>R. Promoting environmental friendly goods and services (EGS)</p>	<ul style="list-style-type: none"> • CTI to undertake additional case studies on developing APEC economies' EGS markets. • CTI to take further concrete actions on EGS, prioritizing work related to addressing non-tariff measures on environmental goods, technology, and services. • CTI to support progress on the EGS negotiations in the WTO DDA. • CTI/MAG to take further steps on facilitating trade in remanufactured products. 	<ul style="list-style-type: none"> • CTI completed the case study on Malaysia last November. The draft report on the case study for Mexico was being put together for circulation to CTI members. Volunteers were being sought for more (possibly 3-4) case studies to be conducted during the year. • A Seminar on Dissemination of Environmental Technologies will be held on 11 May 2011 in Big Sky, Montana. The seminar is expected to improve the understanding of members on dissemination of environmental technologies so as to help economies identify possible cooperative actions. • At SOM I, AD group endorsed an initiative on facilitating the diffusion and dissemination of Advanced Technology Demonstration Motor Vehicles throughout the Asia-Pacific region. • The US and Japan presented a joint proposal at MAG1 on the issue of "Addressing Barriers to Trade in Remanufactured Goods". The proposal is currently under discussion. • MAG1 discussed the possibility of building-up EGSIE's information on current regulations related to the environmental goods and services sector. This exercise

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		would be ongoing.
S. Tackling climate change	<ul style="list-style-type: none"> SOM to take concrete actions to foster Green Growth among APEC economies, including those laid out in the Yokohama documents, and to that end, facilitate coordination among APEC fora. <p><i>Forestry:</i></p> <ul style="list-style-type: none"> Economies to enhance work on meeting the aspirational goal in the Sydney Declaration of increasing forest cover in the region by at least 20 million hectares of all types of forests by 2020. CTI to enhance our cooperation to address concerns with illegal logging and associated trade, and to promote sustainable forest management and rehabilitation. 	<ul style="list-style-type: none"> SOM FOTC on Green Growth met in Washington DC and identified a number of promising areas of focus for the coming year. They include: promoting trade and investment in environmental goods and services, combating trade in illegal logging, streamlining import procedures for advanced, low-carbon demonstration vehicles, and phasing out inefficient fossil fuel subsidies.
T. Promoting human capacity building	<ul style="list-style-type: none"> SOM (to monitor progress annually), HRDWG to implement the “Action Plan for Developing Human Resources, Vigorously Promoting Employment, and Achieving Inclusive Growth” adopted at the 5th APEC Human Resources Development Ministerial Meeting. 2011 host economy to convene a high-level policy dialogue on women’s economic opportunities within APEC. 	<ul style="list-style-type: none"> HRDWG to play leading roles in collaboration with other fora and ABAC to enhance human as well as institutional capacity to achieve APEC goals by providing their expertise.
U. Strengthening and Deepening the Region’s Capital Markets	<ul style="list-style-type: none"> SFOM to review the progress of the Kyoto Report on Growth Strategy and Finance. 	

ABBREVIATIONS AND ACRONYMS

ACT	Anti-Corruption and Transparency Experts Task Force
AD	Automotive Dialogue
AELM	APEC Economic Leaders' Meeting
AEO	Authorized Economic Operator Programmes
AMM	APEC Ministerial Meeting
ANSSR	APEC New Strategy for Structural Reform
APERC	Asia Pacific Energy Research Centre
ATCWG	Agricultural Technical Cooperation Working Group
BMG	Business Mobility Group
CBPRs	Cross – Border Privacy Rules
CD	Chemical Dialogue
CEEDS	Cooperative Energy Efficiency Design for Sustainability
CTI	Committee on Trade and Investment
CTTF	Counter-Terrorism Task Force
EC	Economic Committee
ECSG	Electronic Commerce Steering Group
EGS	Environmental Goods and Services
EoDB	Ease of Doing Business
EPWG	Emergency Preparedness Working Group
EWG	Energy Working Group
FTAAP	Free Trade Area of Asia Pacific
GFPN	Gender Focal Point Network
GOS	Group on Services
HRDWG	Human Resource Development Working Group
ICT	Information and Communication Technology
IEG	Investment Experts Group
IFAP	Investment Facilitation Action Plan
IPEG	Intellectual Property Rights Expert Group
IPR	Intellectual Property Rights
LAISR	Leaders' Agenda to Implement Structural Reform

LSIF	Life Sciences Innovation Forum
MAG	Market Access Group
MRT	Ministers Responsible for Trade
PEER	Peer Review on Energy Efficiency
PSU	Policy Support Unit
REI	Regional Economic Integration
SCCP	Sub-Committee on Customs Procedures
SCE	SOM Steering Committee on ECOTECH
SC	Supply Chain Connectivity
SCSC	Sub-Committee on Standards and Conformance
SFOM	Senior Finance Officials Meeting
SMEWG	Small and Medium Enterprises Working Group
SOM	Senior Official Meeting
TEL	Telecommunications and Information Working Group
TFAP	Trade Facilitation Action Plan
TPTWG	Transportation Working Group
TRP	Trade Recovery Program
WTO	World Trade Organization