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公 務 出 國 報 告 提 要

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報告名稱

第十二屆APEC中小企業工作小組會議

主辦機關

經濟部中小企業處

聯絡人/電話

/

出國人員

林隆誦	經濟部中小企業處	處本部	副處長
莊竣足	經濟部中小企業處	第三組	科長
雷世謙	經濟部中小企業處	第三組	專員

出國類別 考察 其他

出國地區 香港

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關鍵詞 中小企業

內容摘要 第十二屆APEC中小企業工作小組(SMEWG)會議於本(九十)年6月26日至28日在香港國際會議中心舉行。會議首先由香港貿工部賴副部長致歡迎詞。賴副部長指出中小企業對經濟發展的重要性，期望各會員體與會代表於本屆工作小組會議中多提建言，以期塑造有利於中小企業發展的良好環境。本次會議主席中國國家經濟貿易委員會副司長張瑞史於會中強調今年大會主題為「新世紀 新挑戰 發展中小企業之創新和環境」。期望藉由加強科技創新，協助中小企業取得融資，改善中小企業發展環境來增進APEC地區之貿易與投資，進而協助中小企業的發展，以共享新經濟與全球化的利益。

本文電子檔已上傳至出國報告資訊網

行政院所屬各機關因公出國人員出國報告書

(出國類別 1)

出席「第十二屆 APEC 中小企業工作小組會議」報告

服務機關 經濟部中小企業處

出國人 職稱 副處長

姓名 林隆誼

出國地點 中國大陸 香港

出國期間 90年8月26日至9月1日

Eo/c09005378

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壹、會議名稱 第十二屆 API·C 中小企業工作小組會議

貳、會議時間 90 年 6 月 26 至 28 日

參、會議地點 香港國際會議中心

肆 各會員體與會代表（各國與會代表名單詳見附件一）

本次會議計有 53 人與會，各會員體與會人數如下

奧州 1 人	文萊 3 人	加拿大 1 人
智利 1 人	中國大陸 12 人	香港 2 人
日本 5 人	韓國 2 人	馬來西亞 2 人
墨西哥 2 人	紐西蘭 1 人	秘魯 1 人
菲律賓 1 人	俄羅斯 2 人	新加坡 2 人
中華台北 4 人	泰國 4 人	美國 2 人
越南 3 人	PECC 1 人	APFC 秘書處 1 人

伍、會議主席 中國大陸國家經濟貿易委員會副司長張瑞英

陸、我國出席代表

經濟部中小企業處林隆誼副處長（團長）

經濟部中小企業處莊瓊足科長

經濟部中小企業處雷世謙專員

台灣經濟研究院胡忠慈助理研究員

柒、會議議程 詳如附件二

捌、重要討論及決議事項

第十二屆 APEC 中小企業工作小組（SMEWG）會議於本（九十）年 6 月 26 日至 28 日在香港國際會議中心舉行，會議首先由香港貿工部賴副部長致歡迎詞，賴副部長指出中小企業對經濟發展的重要性，期許各會員體與會代表於本屆工作小組會議中多提建言，以期塑造有利於中小企業發展的良好環境。本次會議主席中國國家經濟貿易委員會副司長張瑞英

於會中強調今年大會主題為「新世紀、新挑戰 - 發展中小企業之創新和環境」，期盼藉由加強科技創新、協助中小企業取得融資、改善中小企業發展環境來增進APEC地區之貿易與投資，進而協助中小企業的發展，以共享新經濟與全球化的利益。

主席亦報告本屆相關之討論議題如下，其結論及成果將提報本年第八屆中小企業部長會議。

- 1 科技合作方面 (1) 發展OAAII, (2) 發展Ecotech IAPS的可能性。
- 2 合作計畫 (1) 人力資源發展, (2) 新經濟與電子商務, (3) APEC食品體系。
- 3 強化市場功能 支持中小企業與新創事業相互合作計畫。
- 4 社區互動 加強與ABAC對話、鼓勵企業參與、婦女整合架構。
- 5 管理議題 (1) APEC秘書處執行長報告, (2) BMC製作APEC計畫手冊, (3) 工作小組活動報告。

由APEC秘書處報告與中小企業工作小組有關之APEC活動近況, 包括目前BizAPEC網站及ECOTECH Cleaning House。

本屆會議亦將相關之SMEWG管理議題列入討論, 其中為培育APEC地區高階人力資源, 汶萊與中國於本年五月在北京共同舉辦「建構高階人力資源會議」, 並提出以下建議 (1) 面對新經濟挑戰, 發展一致規範, (2) 持續加強政府與企業進行對話, (3) 改善中小企業發展環境, 以建構中小企業管理技能, (4) 結合Ecotech, 以提升人力建構能力及中小企業知識技能。

在私部門互動議題方面, 汶萊提出「建立SMEWG與中小企業緊密關係之機制」, 強調加強中小企業參與政策制定, 增加中小企業參與APEC活動, 以協助中小企業發掘商機,

並透過人力資源建構能力的強化來提升中小企業的知識技能。另中國大陸亦倡議「APEC 商業社區」來促進 APEC 地區私部門的互動，其內容主要包括 (1) 建立中小企業與部長間的對話機制，(2) 每年集中討論一、二個彼此共同興趣的主題，(3) 舉辦中小企業研討會。有關中國與文萊的建議將整合為一，並於本年第八屆中小企業部長會議中進行報告。

在檢視大阪行動綱領方面，與會代表同意應發展更務實的合作與對話方式，以落實大阪行動綱領，做法為 (1) 訓練計畫應包括中小企業及新創公司之研討會，(2) 舉辦工業發展前景研討會 (Industrial Outlook Workshops)，以利政策制訂者與中小企業掌握經濟情況，(3) 以自願為基礎，由會員體提供相關中小企業環境發展範例，共同分享發展經驗，(4) 藉由 APEC 科技訓練與交流合作，增進會員體間的緊密合作關係，(5) 普查中小企業全融市場，以建立創投事業與新創公司資料庫，(6) 更新「導引 APEC 中小企業發展」之指導手冊。

在婦女議題方面，鼓勵婦女參與 APEC 活動於 1999 年 9 月所舉行之 APEC 領袖會議中受到普遍支持與肯定，本次 SMEWG 會議有關該項議題之提議包括 (1) 以更緊密方式，將婦女議題整合於 SMEWG 計畫中，(2) 發展有關婦女議題計畫 (3) 鼓勵各會員體讓更多婦女參與計畫，(4) 中小企業部長會議應多採納婦女領袖聯席會之意見，(5) 透過 AGGI 向中小企業部長會議陳報婦女整合架構之執行，(6) 分享各經濟體在中小企業與性別議題之經驗交流。

在檢視中小企業政策階層小組工作計畫方面，分別由相關會員體報告計畫執行進度

- (1) 電子商務對中小企業之影響 (中華台北) 建議加強中小企業電子商務之運用以降低經營成本，並強化適於電子商務發展之基礎建設。
- (2) 電子商務研討會-建立加速 APEC 中小企業利用電子

商務之環境（文萊） 建議發展基礎建設、鼓勵中小企業及婦女使用電子商務。

- (3) 建構 APEC 中小企業管理能力研討會（日本） 藉由與會者的意見提供，以協助中小企業經營管理能力之提升，進而因應經濟之快速變遷。
- (4) 2000 年支持 APEC 中小企業與新創事業研討會（日本） 其建議包括 (I) 在科技與管理技能發展上，應重視人力資源發展、強化管理基礎、相關機構之支持以及政策之評估與控管之方法，(II) 為塑造一個有利於中小企業與新創事業資本取得之發展環境，政府應建構多樣化之融資管道及輔助創投事業發展，(III) 促進區域商機媒合。

有關會員體目前進行中的工作計畫報告如下

- (1) 中小企業諮詢訓練認證計畫-第三階段（加拿大/菲律賓） 為協助中小企業快速掌握易投資自由化所帶來的商機，政府應利用創新訓練方式（如遠距教學），同時注重中小企業顧問的質與量，並強化與各會員體間的訓練合作
- (2) APEC 中小企業電子商務研討會（中華台北） 本計畫旨在加強中小企業電子商務之應用，以協助中小企業掌握電子商務之市場利基。
- (3) APEC 中小企業概況調查（中華台北） 本計畫由中華台北委託 P E C C Dr Chris Hall 就中小企業在 A P E C 的情形作一研究與回顧。本計畫研究發現 (I) 預計到 2020 年中小企業將提供 APEC 區域 5 至 7 千萬個工作機會，(II) 企業經營環境需持續改善，(III) 值得注意貿易與非貿易障礙特別是服務業，(IV) 會員體間需加強合作以確保其規範、計畫、政策及獎勵措施能符合中小企業發展之需要。
- (4) 中國加入 WTO 後，中小企業之挑戰與商機（中國）
- (5) 有效率供應鏈管理之策略聯盟（泰國）
- (6) 中小企業商業伙伴倡議（美國） 本計畫旨在促進區域

中小企業間以及中小企業與大企業間合作關係，該計畫將與泰國與新加坡合作。

- (7) 消費者教育與保護倡議 (美國) 本計畫旨在推廣消費者保護教育及消費者信心建立，並結合私部門之力量，推廣至各會員體。

俄羅斯於本屆會議提出「以企業網站促進APEC會員體間之創新合作」計畫，內容主要係藉由網站之建立，以促進APEC區域間之合作。目前俄羅斯中小企業在發展創新上遇到的障礙為缺乏可運用的技術、資金及市場發展空間不足。該計畫將於2002年5或6月間舉行三天的國際研討會，並邀請產官學研界參加。本計畫預期成果為 (1) 發展創新能力、減少行政及資訊障礙、活絡國際性商業，(2) 確認俄羅斯有價值之商業計畫，並與APEC企業合作，(3) 發掘APEC企業創新障礙。

俄羅斯於計畫中建議，與私部門合作可朝下列方向 (1) 增進中小企業在創新體系中扮演的角色，以提升其影響力，(2) 增加中小企業商機，(3) 提供中小企業取得知識技能管道 (4) 促進中小企業參與APEC各類活動。俄羅斯期盼藉由此次研討會之舉辦，及取會員國之發展經驗，以提升本國之企業創新能力。

在APEC中小企業發展整合行動計畫執行現況方面，將由中國在本年中小企業部長會議上報告其在國內執行APEC中小企業發展整合行動計畫之情況，並分別由政策執行環境、人力資源發展、科技創新、金融、行銷及資訊服務等五個方向進行報告。

本次工作小組會議亦討論澳門以觀察員的身份參加SMEWG相關活動。澳門目前為一國二制，以澳門法維持獨立體制50年，在該體制下自由發展經濟。但因其經濟規模較小，在面對國際詭譎局勢，如何提升生產資本模式 並以高效率

生產進軍國際市場，是澳門目前所面臨的挑戰。由於中小企業在澳門經濟發展扮演著重要的角色，在面對缺乏先進科技技術、人力資源以及市場資本有限的情況下，中小企業的成長受到嚴重影響。因此澳門期盼能汲取會員體發展中小企業的經驗，並尋求創新的管道，以制定符合中小企業需求之輔導政策。

為使各會員體了解企業管治對提升企業經營效率的重要性以及長期對投資者和企業永續經營的助益，大會特別於六月二十七日舉辦「企業管治 中小型企業持續發展和繁榮之關鍵因素」研討會。本項研討會首先由香港特別行政區政府工業貿易署助理署長馮建業先生致歡迎詞，並分別由經濟合作及發展組織企業事務部律師及首席行政人員 Mr Simon Wong 主講「良好企業管治的發展、詮釋和執行」、泰國亞洲科技大學主席兼校長 Dr Viphandh Roengpithya 主講「有關中小型企業管治的文化與道德範疇」、及香港董事學會副主席許浩明主講「企業董事所需才能和面對的挑戰 現時趨勢」等人分別自三個不同角度剖析企業管治對中小企業的重要性。

會中不僅就目前OECD所公布的企業管治的要素及標準規範進行介紹，同時也分析企業管治對企業內部控管的重要性以及長期對投資者和企業永續經營的助益。此外，會中亦對香港政府正推廣的企業治理、中小企業環境建構、人力資源、拓展市場、科技應用、金融等各方面進行介紹。

一、 結論與建議

- (一) 藉由本次會中各會員體相互合作之情況得知，開發中會員體對科技技術、創新、發展中小企業經驗傳承的渴望，期藉由SMEWG的各類計畫合作，協助本國取法已開發會員體在建構中小企業良好發展環境的政策與經驗。此外，也經由各項計畫合作增進彼此企業間的策略聯盟機會，有助於提升中小企業在國際市場的競爭力。

- (二) 各會員體應加強提升中小企業管理能力技術，以及建構良好的金融體系，方能協助中小企業取得資本，落實分享中小企業發展實務及經驗，進而協助所有會員體建構良好的企業發展環境。其次，加強政府與企業間對話，使各會員體政策更能符合中小企業發展所需，並以多邊合作的模式增進會員體間彼此合作交流的機遇，從而縮小亞太地區發展的落差。
- (三) 藉由我國發展中小企業的豐富經驗，加強與開發中會員體的合作機會，此外，更應積極經由策略聯盟、商業媒合以及資訊交流等方式增進與已開發會員體間的合作，以利於我國及取先進國家在技術與創新上的資訊與經驗，俾提升我國中小企業在國際市場之競爭力。

**The 12th Meeting of the APEC
Small and Medium Enterprises (SME) Working Group (WG)
Hong Kong, China 26 – 28 June 2001
(Revised as at 2 00 p m on 26 June 2001)**

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**The 12th Meeting of the APEC
Small and Medium Enterprises (SME) Working Group (WG)**
Hong Kong, China 26 – 28 June 2001
(Revised as at 2 00 p m on 26 June 2001)

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12th Meeting of the APEC SME Working Group

Agenda item 2
Document No 2-1

Annotated Agenda

**Small and Medium Enterprises
Working Group Meeting
Hong Kong, China
26 – 28 June 2001**

DRAFT ANNOTATED AGENDA

Twelfth Meeting of the APEC SME WG, 26-27 June 2001 Hong Kong, China

1 Chair's Welcome & Opening Remarks

Mr Joseph LAI, Deputy Director-General of Trade and Industry, Hong Kong China will deliver a short speech to welcome delegates to Hong Kong, China

The SMEWG Chair will welcome delegates to Hong Kong, China and outline the Meeting

2 Adoption of the Agenda

3 Reports from Chair (SOM I, Joint Fora, and SOM II Outcomes) & APEC Secretariat

The Chair will brief the meeting on the results from the meetings of SOM I, Joint Fora and SOM II

The APEC Secretariat will also present an update on the activities within APEC that is particular relevant to SMEs and SMEWG including presentation on the BizAPEC com and ECOTECH Clearing House

4 Management Review as it relates to the SMEWG

4 1 SMEWG Terms of Reference

The group will discuss a paper prepared by Brunei on the results of APEC exercise on the Management Review as it relates to SMEWG

4 2 Interaction with private sector

The group will discuss a paper prepared by Brunei and China on the mechanism for a closer collaboration between SMEWG and SME representatives

5 Review of the Osaka Action Agenda

The Group will discuss the paper prepared by the Chair

6 Report on the plan on gender integration in the SMEWG

The Group will discuss the paper prepared by APEC Secretariat outlining the plan on the implementation of the Framework for Integration of Women in APEC within the SMEWG

7 Review of projects underway in SMEWG

7.1 Tasking statement from 7th SME Ministers Meeting, APEC Joint Ministerial Meeting and APEC Leaders in 2000

The Group will discuss the Tasking Statement and steps to follow up the tasks given

7.2 Completed Projects

The Group will review the evaluation reports on completed projects presented by responsible economies

- Electronic Commerce Impact Study for SMEs (Chinese Taipei)
- Workshop on Electronic Commerce Towards Building a Favorable Environment for an Accelerated Adoption of E-Commerce by APEC's SMEs (Brunei Darussalam),
- APEC SME Seminar for Management Capacity Building (Japan),
- 2000 APEC SME & New Business Support Workshop (Japan)

7.3 On-going Projects

The Group will review the progress reports on on-going projects presented by responsible economies

- Training and Certification for Small Business Counsellors –Phase III (Canada/Philippines)
- APEC E-Commerce Symposium on SMEs (Chinese Taipei),
- APEC SME Profile 2000 (Chinese Taipei)
- Seminar on Opportunities and Challenges APEC SMEs after China's Accession to the WTO (China),
- International Conference/Workshop on Strategic Alliances for Efficient Supply Chain Management (Thailand)
- Business Partnership Initiative for SMEs (US),
- Consumer Education and Protection Initiative (US),
- APEC SME Business Matching and Advice Program (Japan),
- APEC SME Business Network Promotion Forum (Japan),
- Evolving Cooperation Initiatives for SME & New Business Support (Japan)
- 2001 APEC SME & New Business Support Workshop (Japan)

8 Presentation and evaluation of new project proposals

The Group will evaluate and rank new project proposals

- Creation of business website to Develop Innovative Co-operation between APEC member economies (Russia)
- Innovative Forum International Business Co-operation In the Sphere of Innovative Entrepreneurship (Russia)

9 Status of Implementation of SPAN

Economies are invited to report voluntarily on their implementation of SPAN

10 Preparation for the Eight Meeting of APEC Ministers Responsible for SMEs

The group will discuss focus paper and receive a briefing from the Chair on the administrative arrangements and schedules for SME Ministerial Meeting

The Chair will brief the group on related events in the margin of SME MM, and set the schedule of the next WG meeting

11 Other Business

12 Closing Remarks

The SMEWG Chair will provide an overview on the outcomes of the meeting and thank the members for attending the meeting



12th Meeting of the APEC SME Working Group

Agenda item 3
Document No 3-1

Chair's Report

**Small and Medium Enterprises
Working Group Meeting
Hong Kong, China
26 – 28 June 2001**

CHAIR'S REPORT ✓
**on Deliberations from SOM I,
Joint Fora Meeting, and SOM II**

The Chair of SMEWG attended the SOM I and Joint Fora Meeting in February 2001 in Beijing, China, and she was represented in SOM II in early June 2001, in Shenzhen, China. The Chair presented SMEWG Report (Annex 1) and reported on the preparation on the SME Ministerial Meeting to SOM I.

Below are issues discussed in SOM I, Joint Fora and SOM II which relates and has implications to SMEWG and its work.

APEC 2001 Theme

In SOM I as well as in the Joint Fora Meeting (JFM) the APEC SOM Chair which also chaired the JFM reported that China proposed the following theme for APEC 2001 – “Meeting New Challenges in the New Century: Achieving Common Prosperity through Participation and Cooperation”, which embodies the following sub-themes:

- 1) Sharing the Benefits of Globalization and the New Economy,
- 2) Advancing Trade and Investment, and
- 3) Promoting Sustainable Economic Growth

The SOM Chair stressed that the 2001 theme and sub-themes were intended to transcend the traditional boundary between TILF and Ecotech to build on the existing Ecotech Agenda, to revive the momentum of progress in APEC's core mission of trade and investment liberalization and facilitation, and to foster a favorable macro-economic environment for the sustainable growth of the regional economy.

The SOM Chair also spoke on the importance of outreach and interaction to ensure widespread participation in APEC by business and other stakeholders in society.

The SOM Chair also gave a briefing on the directions and taskings set out by Leaders and Ministers, endorsed by the SOM (annex 2). He emphasized the need for a balanced agenda in TILF and ECOTECH, the need for a concerted effort to help counter the trend towards possible economic slowdown, and the importance of the new Round and the New Economy areas of work for 2001 and for APEC fora.

Economic and Technical Cooperation ✓

In the JFM, the ESC Chair briefed the meeting on the recommendations and conclusions arising from last year's SOM ECOTECH Report. He underlined the importance of effective coordination, recalling that Ministers, in the Manila Declaration, had urged “working groups and other relevant APEC fora to coordinate with each other and integrate their work on cross-cutting issues to achieve focused outcomes and demonstrate breakthroughs in advancing the goals of APEC”. In that context, he urged fora and Senior Officials to register with the Ecotech Clearing House as soon as possible.

1 Developing Part II of OAA

The ESC Chair encouraged fora to pay more attention to the Joint Activities in Part II of the OAA and to evaluating the outcomes of projects. The ESC would be liaising with Working Groups in further developing Part II of the OAA, as tasked by Ministers.

The letter from SMEWG Chair to all SMEWG members was sent early May 2001 for inputs and comments. Based on the inputs received, the APEC Secretariat has prepared a paper on this to be discussed under "Other Issues".

2 Possibility of Developing Ecotech IAPS

At last year's Ministerial Meeting, Japan proposed an Ecotech IAP which was supported by some other member economies. The SOM Small Group is now preparing a prototype HRD IAP and SOM asked ESC to give further consideration to the concept of Ecotech IAPs including the possibility of combining the exercise with the development of OAA Part II and the possibility of building on the existing Clearing House.

Coordination of Cross-Cutting Issues

1 Human Capacity Building

Both the SOM and JFM were informed of Leaders' endorsement of the Human Capacity Building Initiative last year, the planned APEC High Level Meeting in Human Capacity Building in May 2001, and the formation of a Human Capacity Building Coordinating Group led by the ESC to prepare a human capacity building strategy.

The ESC Chair informed that SOM has agreed that the HCB Coordinating Group's work in devising the HCB Strategy should focus on the new economy. All fora are encouraged to support and actively participate in the ESC's HCB Coordinating Group and contribute to the preparation of the Annual Building Capacity Report.

The SMEWG has nominated the Chair, Madame Zhang Ruiying as the SMEWG focal point for the Coordinating Group.

The representative from SETC represented the SMEWG Chair in the APEC High Level Meeting on Human Capacity Building, in Beijing, May 2001. The High Level Meeting produced the *Beijing Initiative* (Annex 3).

2 New Economy and Electronic Commerce

SOM noted the New Economy Action Agenda of last year was a good start to trigger the development of new economy and information society in APEC. In response to the instruction from Leaders to implement, develop and expand the New Economy Action Agenda, SOM considered the Chair's discussion paper entitled "Follow-up on the New Economy Action Agenda" (Annex 4). Senior Officials decided to establish an Ad Hoc Task Force for e-APEC and endorsed its Terms of Reference and the proposed timeframe for its work. The objective is to give effect to the New Economy Action Agenda with concrete actions leading to specific results while extending and broadening the consensus among member economies with a view to building e-APEC.

SOM called on APEC Fora to support the work of the Task Force

Please note that SMEs included in the possible issue areas of the New Economy Action Agenda

3 APEC Food System

Members agreed on the importance of increasing momentum in implementation of the APEC Food System (AFS) as recommended by ABAC, in accordance with direction from Leaders/Ministers. SOM discussed the mechanism that should be used to pursue AFS initiatives. They agreed to continue the modality adopted last year, subject to further review. SOM instructed relevant fora/sub-fora to prepare their reports and provide the reports to the APEC Secretariat. The Meeting agreed in principle on the revised AFS tasking matrix for APEC fora and endorsed the timetable for reporting contained in the paper (The SOM Chair's non-paper on AFS is attached as Annex 5)

Strengthening the Functioning of Markets

The Cooperation Program in the area of SME and New Business Support

SOM took note of the progress report made by Japan on the implementation of cooperation program in the area of SME and new business support. SOM encouraged member economies to actively participate in the implementation process of the program.

Interaction with the community

1 ABAC Recommendations

SOM noted the summary of ABAC recommendations prepared by the APEC Secretariat (Annex 6). Two key messages by ABAC i.e., that APEC must stay on track in its trade and investment liberalization and facilitation agenda, and that APEC must go beyond acknowledging the need for capacity building to give it substance, were highlighted by the meeting

The SOM called APEC fora to pay close attention to the ABAC recommendations.

2 Business Participation

The meeting noted resubmitted paper on business participation in APEC activities (annex 7). SOM encouraged all APEC fora to enhance their interaction with the business sector to ensure APEC's relevance to its communities.

3 Gender Integration

The AGGI Chair briefed the meeting on the progress of AGGI work and assured fora that AGGI work was aimed at supporting APEC fora in their efforts on gender integration. The SOM Chair called on all APEC fora to take consideration of the recommendations related to gender integration.

SOM noted the proposed SOM AD HOC Advisory Group on Gender Intergartion (AGGI) 2001 Work Plan and encouraged APEC fora to complete the Gender Information Session

nominate a Gender Focal Point and provide best practice examples to AGGI. The AGGI Chair informed the meeting that the important feature of the work program was to put in place appropriate practical “tools” that would help integrate gender more easily into APEC activities on a permanent basis, without imposing burden on any fora, and to link AGGI activities more directly with APEC’s economic priorities.

The SMEWG has had the Gender Information Session in its meeting in Brunei June 2001, had nominated a Gender Focal Point, and has submitted a best practice to AGGI. Furthermore, the SMEWG needs to work closely with the AGGI in ensuring that its work program incorporate gender consideration and move forward in its implementation of the *Framework for the Integration of Women*.

Activities of Working Groups

The Meeting heard reports from Working Groups on their work plans and encouraged them to contribute actively to the APEC Theme for 2001.

Chair of SME reported on the theme of the incoming Eighth SME Ministerial Meeting during 29-31 August 2001 in Shanghai.

Management Issues

The BMC Chair underscored the importance of complying with the guidelines in the Guidebook on APEC Projects at every stage of the project. She urged fora to ask project overseers to go through the Guidebook. A new edition of the Guidebook has been issued and is available at the APEC Secretariat website under “Policy and Procedure”.

The BMC Chair stressed that project proposals to be submitted by fora to that meeting must satisfy the agreed urgency criteria.

5



Asia-Pacific Economic Cooperation

2001/SOM1/049

Senior Officials' Meeting 1

Report of SMEWG to SOM1



Senior Officials' Meeting 1
Beijing, People's Republic of China
12-13 February 2001

SMEWG Progress Report for 2000 – 2001

No	Item	Status as of 27 November/Remarks
I	Instructions from 7th SME Ministerial Meeting	
1	Management Review	Completed and PLGSME renamed as SMEWG Thus becoming permanent fora
1 1	Develop further the interaction between government and private sector including the participation of SME representatives in the PLG meetings	A mechanism that could lead to greater participation of SME representatives in SMEWG was adopted and reported to 12 th Ministerial Meeting
1 2	Strengthening Focus on Policy Issues	In progress Group has to initiate discussion on this
1 3	Implementation of Management Review recommendations	In progress
2	Gender Integration	
2 1	Take steps to implement the <i>Framework</i> and report on the progress in Nov 2000	Progress reported to Ministerial Meeting
2 2	<i>AGGI Project Analysis and Evaluation of Gender Statistics Workshop</i>	In progress – Group to assist AGGI
2 3	SMEWG Gender Focal Point Korea has accepted to act as the Gender Focal Point	The Focal Point need to have a close collaboration with AGGI for further implementation of the <i>Framework</i>
3	Capacity Building	
3 1	To work with the relevant APEC fora to integrate the values of entrepreneurship and business skills into the school curricula	In progress, communicated with HRDWG
3 2	To encourage Japan and other interested economies to be joint coordinators for the Evolving Cooperation Initiatives for SME and New Business Support and develop programmes	Completed Japan and Chinese Taipei have volunteered to be coordinators
3 2 1	Workshop on “2000 APEC SME and New Business Support ’ on 5 8 September 2000 in Tokyo Japan (Japan Brunei Darussalam) and in Chinese Taipei on 10–15 September NOTE This was also noted in the 12 th AMM meeting under Strengthening the functioning of markets	<ul style="list-style-type: none"> • Workshop completed • Initial List Cooperation Programs reported to Ministers in Nov 2000 • Implementation in Progress
3 3	To work inter sessionally in devising an action program and to liaise closely with Brunei Darussalam a) opening up some of their domestic training programs to participants from APEC member economies on a voluntary basis b) include a list of trainers that are available for conducting	In Progress <ul style="list-style-type: none"> • Canada and Brunei Darussalam agreed to publish web site on Training and Certification of Small Business Counselors and related

No	Item	Status as of 27 November/Remarks
	training across the APEC region	HRD items <ul style="list-style-type: none"> • Communicated with HRDWG and APEC Business Volunteer Program
4	Enabling APEC SMEs to Capitalize on E-Commerce	
4 1	To coordinate with relevant APEC fora including the APEC Telecommunication Working Group and the Electronic Commerce Steering Group in expediting the on going work on reducing the costs of access to the Internet	<ul style="list-style-type: none"> • In progress communicated with TELWG & ECSG • Ministers endorsed ECSG s proposal on an APEC-Wide Action Plan to Support Use of E Commerce by SMEs
4 2	On BizApec.com to consider contributing to the further development of this new web site and help promote the web site for wider use by SMEs	In progress individual economies are encouraged to take action
4 3	To work with the relevant APEC fora in developing future work programs on the use of ICT and E commerce amongst SMEs that are focused on specific sector of SMEs	In progress Report on progress next year
4 4	To implement in collaboration with relevant APEC fora including the APEC Electronic Commerce Steering Group and the Telecommunication Working Group the relevant recommendations of the APEC SME E Commerce Workshop in BSB Note that the Group should also take into account the ECSG s <i>APEC Wide Action Plan to Support Use of E commerce by SMEs</i> when preparing initiatives on e commerce	In progress Related to item 4 1
4 5	<i>Project - APEC E Commerce Symposium on SMEs (Chinese Taipei)</i>	Will be implemented in 2001
5	Making Financial and Capital Markets More Accessible to SMEs	
5 1	To cooperate with the IEG in establishing an APEC database to disseminate and exchange information on start up companies and venture capital	In progress communicated with IEG
5 2	To work with APEC Ministers of Finance and relevant APEC fora to promote the development of capital markets including venture capital equity fund and IPO for the development of SMEs within their economies	Monitor the progress of work of APEC Finance Ministers Process Group may present suggestion to the Finance Ministers process
6	Towards Harnessing Diversity for Shared Economic Prosperity	
6 1	<i>Projects</i> <ul style="list-style-type: none"> • <i>APEC SME profile 2000 (Chinese Taipei)</i> • <i>Business Partnership Initiative For SMEs (USA)</i> 	Will be implemented in 2001

No	Item	Status as of 27 November/Remarks
	<ul style="list-style-type: none"> • <i>International Conference/ Workshop On Strategic Alliance For Efficient Supply Chain Management(Thailand)</i> • <i>Seminar On Opportunities And Challenges APEC SMEs After China's Accession To WTO (China)</i> 	
7	Dialogue with the Business Sector	
7 1	To consider the recommendations from the business sectors for inclusion into its work program	Group has to initiate discussion on this
7 2	To liaise with the private sector on the request from SME Ministers to prepare a comprehensive list of needs and key issues for consideration of Ministers and member economies	May have to write to SME Business Forum Chair
II	11th PLG Meeting	
8	Review of Joint Activities since 1996 in Part II of Osaka Action Agenda	Report submitted to SOM III
9	Information on Major Barriers and Regulatory Constraints) and Compliance Cost (Trade Facilitation)	
9 1	e-IAP	The web-site has information on tariffs, NTMs and other business information on individual economies Group may wish to support efforts to promote its use by SMEs
9 2	BizApec com (APEC Secretariat) Note Leaders instructed officials to make this site a dynamic center of information and reflective of the ongoing interests of business Ministers instructed officials and economies to publicize maintain and update the web site	Group and member economies may wish to contribute to the web site See item 4 2 also
9 3	Electronic Linking of databases (PLGSME) List provided	-do-
9 4	Methodology for Reporting (NZ PLGSME)	Monitor, work on this item is also being undertaken by MAG
10	Economic Committee	
10 1	Work on entrepreneurship	Reported in EC report APEC Economies Beyond the Crisis
11	ESC (Ecotech Subcommittee)	
11 1	Eco Tech Clearing House (Note Also instructed by 12 th AMM)	Launched Nov Ministerial Meeting Group encourage to use it for group discussion

No	Item	Status as of 27 November/Remarks
III	Current Projects Being Monitored	Monitor Progress
11 2	<ul style="list-style-type: none"> ▪ HRD Related Projects/Initiatives <ul style="list-style-type: none"> ○ Training and Certification for Small Business Counsellors- Phase III (Canada/Philippines) ○ Consumer Education and Protection Initiative (USA) ○ APEC Centre for Entrepreneurship (Indonesia) ○ APEC SME Seminar for Management Capacity Building (Japan) 	
11 3	<ul style="list-style-type: none"> ▪ Information and Communication Technology Related Projects <ul style="list-style-type: none"> ○ Electronic Commerce Impact Study for SMEs (Chinese Taipei) ○ Workshop on Electronic Commerce Towards Building a Favourable Environment for an Accelerated Adoption of E- Commerce by APEC s SMEs held on 20 22 June 2000 in Brunei (Brunei Darussalam) 	
11 4	<ul style="list-style-type: none"> ▪ Strategic Alliance Related Project <ul style="list-style-type: none"> • APEC SME Business Matching and Advice Programme (Japan) • APEC SME Business Network Promotion Forum (Japan) 	
IV	SPAN	Economies to be encouraged to report its implementation in the next meeting

APEC TASKING STATEMENTS 2000

Annex 2

Issue	Tasking	Responsible Fora
Individual Action Plans	<p><u>Leaders</u></p> <p>Our Individual Action Plans remain the most important mechanism for laying out our individual paths toward the Bogor goals of free and open trade and investment. We want to ensure that action plans are transparent, comprehensive and specific, and effectively communicated to business and the wider community. We therefore instruct Ministers to ensure that the new e IAP system released this year is fully utilised and operational in 2001 and updated and improved as an electronic tool in future years.</p> <p><u>Ministers</u></p> <p>Ministers commended the e IAP initiative as an effective response to calls by business to make Individual Action Plans (IAPs) more transparent, specific and comprehensive. Ministers endorsed these landmark developments, including the proposed 2000 IAP Format Guidelines for the new e IAPs and concluded that the new format made the IAP system a more effective mechanism to reflect and encourage progress towards the Bogor Goals. Ministers recognised that the e IAP system could be further refined based on experience with using the system and requested officials to report its progress to the Ministers Responsible for Trade (MRT) Meeting in 2001.</p> <p>Ministers commended those economies that had made use of the new electronic format this year and agreed for all members to use the new e IAP system for their 2001 IAP submissions.</p> <p>Ministers reiterated their support for the on-going process of peer reviews by which economies demonstrate their commitments to further improve their individual plans and provided an additional opportunity for members to conduct close consultations on how this would be done. Guided by the Osaka Action Agenda (OAA) principles, Ministers endorsed a set of recommendations to improve the rigour and profile of the peer review process, which called for regular, focused and manageable peer reviews without compromising their voluntary nature. Ministers commended China, Indonesia, Mexico, Peru, Singapore, Chinese Taipei and Thailand for submitting their IAPs for peer reviews this year and welcomed the offer from Canada and Russia to do so in 2001. Ministers also took note of the participation of business in some of these peer reviews and welcomed this invitation on a voluntary basis in the peer review process.</p> <p>Ministers acknowledged the importance of strengthening the foundation of APEC and of forging closer relationships with business and the community at large in their effort to achieve economic growth and equitable development through trade and economic cooperation. They agreed it was imperative for APEC to continually build upon its successes and ensure that its work remained relevant in order to face the emerging global challenges and take up new opportunities in the coming century.</p> <p>Ministers reaffirmed the decision made at the MRT Meeting in Darwin to adopt a comprehensive approach in reviewing and building upon the OAA guidelines. Ministers acknowledged the initial work undertaken thus far and instructed officials to finalise the work, taking into account the views of ABAC and submit their recommendations to the MRT Meeting in 2001.</p>	<p>CTI, SOM Member economies</p> <p>CTI, SOM Member economies</p> <p>CTI and its sub-fora, SOM Member economies</p> <p>CTI, SOM Member economies</p> <p>CTI, SOM Member economies</p>

Issue	Tasking	Responsible Fora
Collective Action Plans	<p><u>Ministers</u></p> <p>Ministers approved the priority areas proposed by the CTI for 2001 and called on officials to explore new ways of enhancing the effectiveness of the work programs. Ministers stressed the importance of working closely with the business community including ABAC in this process to ensure that APEC's work remained dynamic and relevant.</p> <p>Taking into account the importance of ensuring stable investment flows into APEC region, Ministers welcomed Russia's offer to host the Third Investment Mart and Seventh Investment Symposium in Vladivostok in 2002.</p>	CTI, SOM, Member economies
Trade Facilitation	<p><u>Leaders</u></p> <p>We continue to place the highest priority on facilitating the flow of goods and services and to reducing the cost of international transactions for the benefit of business and the consuming public. We know that progress in this area has particular benefit for small and medium enterprises. We instruct our Ministers to continue work on simplifying and harmonising our customs procedures and standards and conformance as two priority areas highlighted by ABAC and our business community. To provide a stronger basis for the future work on improving facilitation, we urge intensive efforts by Ministers and officials to produce a set of principles on trade facilitation in 2001 and ask them to address trade facilitation in an integrated way so as to help lower the cost of doing business in the region.</p> <p>We urge APEC Ministers and their officials to make further progress on the reduction of non-tariff measures as called for at our last meeting in Auckland and as reiterated by ABAC in its report this year (http://www.abaconline.org/current/report2000.pdf).</p> <p><u>Ministers</u></p> <p>Ministers welcomed initial work on developing a set of non-binding principles on trade facilitation and instructed officials to complete this work and report it for the consideration of Ministers Responsible for Trade in June 2001. Ministers noted that the work on the non-binding principles on trade facilitation could also be a useful contribution to the WTO. Ministers recognised the outcome of an APEC Workshop on Trade Facilitation in the Asia Pacific and instructed officials to consider Canada's proposals on trade facilitation in the next year's process.</p>	SCCP, SCSC, Ad hoc Task Force on TF, CTI, SOM, Member economies MAG, CTI, SOM TFTF, CTI, SOM
APEC Food System	<p><u>Leaders</u></p> <p>We urge APEC fora and members to increase momentum in this regard as recommended by ABAC (http://www.apecsec.org.sg/workgroup/food_sys.html).</p> <p><u>Ministers</u></p> <p>Ministers welcomed and endorsed the SOM report on the implementation of the AFS. They reaffirmed the importance of addressing the three areas of the AFS on rural infrastructure development, promotion of trade in food products, and dissemination of technological advances in food production and processing. Ministers encouraged economies and tasked fora to give priority to implementing the AFS recommendations through intensified activities in their areas of responsibility.</p>	Relevant APEC Fora, SOM, Member economies Relevant APEC Fora, SOM, Member economies

Issue	Tasking	Responsible Fora
Biotechnology	<p>and to provide reports annually on progress in implementation of the AFS recommendations</p> <p><u>Leaders</u></p> <p>We urge our Ministers and officials to monitor the developments in biotechnology and foods derived from biotechnology to ensure a transparent and science based approach to the regulation of these products and that our communities are able to be fully aware of the benefits and implications for producers and consumers</p> <p><u>Ministers</u></p> <p>Ministers stressed the continuing importance of transparent and science based approaches to risk assessments and risk management in the introduction and use of biotechnology products. Ministers recognised the importance of safe introduction and use of biotechnology products and agreed that the development and application of biotechnology should take into consideration WTO rules as well as consumers interests in food safety and environmental quality. Ministers instructed the Agricultural Technical Cooperation Experts Group (ATCEG) to implement further technical cooperation programmes in biotechnology including capacity building and exchange of information and to report on progress at the MRT Meeting in 2001. Ministers also encouraged close cooperation with other international fora and voluntary bodies as appropriate to enhance consumers awareness on the benefits and risks of biotechnology products to facilitate the realisation of the potential benefits of this technology.</p>	<p>SOM ATC WG</p> <p>ATC WG</p>
ABAC	<p><u>Ministers</u></p> <p>Ministers welcomed the ABAC Report to Leaders <i>Facing Globalisation the APEC Way</i> and its two major themes stressing the need to stay on track with the Trade and Investment Liberalisation and Facilitation agenda and the importance to be placed on giving substance to capacity building. Ministers also noted ABAC's emphasis on building stronger financial systems at the regional as well as national levels and agreed on the importance of sectoral government business dialogue as exemplified by the APEC Automotive Dialogue and the newly launched Chemical Dialogue. Ministers welcomed ABAC's overall emphasis on outreach. Ministers appreciated ABAC's continued support and encouragement and instructed officials to review the implementation of ABAC's recommendations including the submissions this year.</p>	<p>SOM CTI</p>
Strengthening the Multilateral System	<p><u>Leaders</u></p> <p>We reiterate that there is a need to expeditiously launch a new WTO round for the benefit of all WTO members particularly least developed and developing economies. We agree that a balanced and sufficiently broad based agenda that responds to the interests and concerns of all WTO members should be formulated and finalised as soon as possible in 2001 and that a round be launched in 2001. The elements and objectives we agreed in Auckland remain relevant.</p> <p>We instruct our Ministers to make meaningful progress in the agriculture and services negotiations now underway. We also instruct them to continue the preparatory work on industrial tariffs and other related areas as part of the preparation for a new round without prejudice to the overall agenda for negotiations. We reaffirm our commitment to the moratorium on the imposition of customs duties on electronic transmissions until the next WTO Ministerial Meeting and we acknowledge the importance of avoiding unnecessary measures restricting use and development of electronic commerce. We endorse our</p>	<p>SOM Member economies</p> <p>Member economies</p>

Issue	Tasking	Responsible Fora
	<p>Ministers call for the establishment of an ad hoc analytical task force in the WTO which would examine how WTO rules are relevant to the evolution of electronic commerce</p> <p>We commend the confidence building measures adopted in the WTO including those on market access for least developed economies and those addressing concerns over aspects of the implementation of WTO agreements We urge effective implementation and the participation of more economies in the least developed economies market access initiative</p> <p>To increase momentum toward the launch of a new round we welcome the progress made to develop the strategic APEC plan on building capacity to implement WTO agreements We endorse the strategic plan as it has been laid out and support decisions by Ministers for its early implementation</p> <p>We welcome the substantial progress that has been made over the past year in the WTO accession negotiations for China and urge rapid completion of these negotiations so that China can join as soon as possible We also support rapid accession to the WTO by Chinese Taipei and the advancement of the accession processes of Russia and Vietnam</p> <p>We endorse the strategic APEC plan for WTO related capacity building as a basis for concerted action to enhance capacity for full participation in the WTO We confirm that both developed and developing APEC members would prioritise as appropriate the plan in the development programs and that priority should be given to allocating the APEC Trade and Investment Liberalisation and Facilitation Fund to finance possible programs in accordance with the established approval process of the Fund We also confirm that members would pursue collaboration with relevant international organisations such as the World Bank and the Asian Development Bank to implement this plan</p> <p><u>Ministers</u></p> <p>Ministers reiterated their commitment to building the capacity of developing economies to implement WTO agreements and to more fully participate in the multilateral trading system They endorsed the strategic APEC plan as a basis for concerted action to enhance capacity for full participation in the WTO and agreed on the importance of implementation as early as possible They welcomed the fact that this strategic plan was tailored to offer specific programmes to respond to individual needs They also decided that both developed and developing members would prioritize as appropriate the plan in the developmental programmes and that priority should be given in allocating the APEC TILF fund to finance possible programmes in accordance with the established TILF approval process Ministers also decided that members would pursue collaboration with relevant international organizations such as the World Bank and the Asian Development Bank in implementing this plan</p> <p>Ministers reaffirmed their strong commitment to the launch of a new round of multilateral trade negotiations at the earliest opportunity They agreed that the successful and expeditious launch of a new round requires an agenda that is balanced and sufficiently broad based to respond to the interests and concerns of all WTO members With this in mind they called on delegations in Geneva to agree on an agenda in 2001 and urged all WTO members to muster the political will and exercise flexibility Ministers also commended the confidence building measures adopted in the WTO, including those on market access for least developed countries and those addressing concerns over aspects of the implementation of WTO agreements They committed to seriously address all issues relating to implementation</p> <p>Ministers noted APEC's expertise in the areas of services and supported efforts to use that expertise to add impetus to the</p>	<p>SOM CTI Member Economies</p> <p>SOM CTI Member Economies</p> <p>SOM BMC CTI Member economies</p> <p>SOM Member Economies</p> <p>GOS Member Economies</p>

Issue	Tasking	Responsible Fora
	<p>negotiations. They agreed on the importance of continuing to advance trade facilitation measures including through the work of WTO services bodies. Ministers also recognized the contribution economic and technical cooperation could make to the WTO services negotiations.</p> <p>Ministers urged all WTO members to contribute positively to the WTO preparatory work on industrial tariffs and other related areas as part of the preparation for a new round without prejudice to the overall agenda for negotiations.</p> <p>Ministers reaffirmed their commitment to the APEC wide moratorium on the imposition of customs duties on electronic transmissions until the next WTO Ministerial Conference. They acknowledged the importance of avoiding unnecessary measures restricting the use and development of electronic commerce and called for the establishment of an <i>ad hoc</i> analytical taskforce in the WTO that would examine how WTO rules are relevant to the evolution of electronic commerce.</p> <p>Ministers also welcomed the offer by China to host a seminar on the implementation of TRIMS in September 2001.</p>	Responsible Fora
Regional Trading Arrangements	<p><u>Leaders</u></p> <p>We note the recent developments in regional trading arrangements in the Asia Pacific. We agree that regional and bilateral trade agreements should serve as building blocks for multilateral liberalisation in the WTO. We therefore affirm that the existing and emerging regional trading agreements should be consistent with WTO rules and disciplines. We also believe that these arrangements should be in line with APEC architecture and supportive of APEC's goals and principles.</p>	SOM Member economies
Open Economies Delivering to People APEC's Decade of Progress	<p><u>Ministers</u></p> <p>Ministers concluded that the continued pursuit of open economic policies was essential to meet the aspirations of the people of the region and that APEC was well placed to help its members pursue open economic policies. Ministers therefore instructed officials to intensify work in relevant fora to assist economies pursue open economic policies including with respect to institutional capacity building and adopting strategies to manage change.</p>	SOM Member economies relevant APEC For a
EVSL	<p><u>Ministers</u></p> <p>Ministers welcomed the consolidation of the NTMs work programme and tasked the CTI to further develop additional collective actions on NTMs by the next Ministerial Meeting. Ministers also called on the relevant APEC fora to consider appropriate ECOTECH programmes to assist in this process.</p> <p>Ministers also welcomed progress made in 2000 in the APEC Auto Dialogue and encouraged further such progress at the next Dialogue in Thailand. Ministers welcomed the initiative to establish a Chemical Dialogue comprising government and industry representatives. Such public private sector dialogues were important for improving the mutual understanding of key imperatives for the development of future policy and for enhancing the competitiveness of the industry.</p>	SOM CTI Relevant APEC For a SOM CTI

Issue	Tasking	Responsible Fora
<p>Strengthening the Functioning of Markets</p>	<p><u>Leaders</u></p> <p>We urge continued effort in APEC's work on strengthening markets noting that there has been progress in many areas including in cooperative initiatives on strengthening economic legal infrastructure and competition and regulatory reform. Together with individual efforts by economies we are moving towards stronger and more efficient markets in the region.</p> <p><u>Ministers</u></p> <p>Ministers commended the progress report on the <i>APEC Road Map on Strengthening Markets</i>. Further to these efforts and the elements of the <i>Road Map</i> that were identified in Auckland, Ministers endorsed the proposal to invite the Pacific Economic Cooperation Council (PECC) to develop ideas which APEC may consider furthering its work on improving economic and corporate governance in the region. In doing so, Ministers commended the progress in the APEC Finance Ministers <i>Initiative on Corporate Governance</i> and noted that further proposals should take into account the ongoing work in that forum.</p> <ul style="list-style-type: none"> the Cooperative Initiative on Regulatory Reform being organised jointly with the OECD and aimed at building the capacities of economies to implement the APEC Principles to Enhance Competition and Regulatory Reform the Cooperation Framework for Strengthening Economic Legal Infrastructure which will initially focus on the areas of corporate law, competition policy as well as capacity an institutional building to develop good regulatory system the Cooperation Program in the area of SME and New Business Support <p>Ministers also commended the progress APEC had made in implementing specific elements of the Road Map. Of particular note were the efforts being made to develop seamless and safe transportation systems which were of importance for trade and the provision of basic services in the region. As such, Ministers welcomed the progress in implementing the recommendations for more competitive air services on a voluntary basis, including the proposals on widening and deepening the measures within APEC as well as a plurilateral arrangement among five like-minded economies to liberalise air services.</p> <p>Ministers noted that increasingly APEC's work on strengthening markets needs to address the challenges of building relevant market infrastructure and institutions as well as strengthening human capacity. Ministers therefore instructed officials to report further progress on the Road Map in 2001 concentrating on these challenges and taking into account the new initiatives and proposals.</p> <p><u>Ministers</u></p> <p>Ministers endorsed the SOM report on ECOTECH and its recommendations and conclusions. In advancing the APEC ECOTECH Agenda, Ministers stressed that ECOTECH projects should be more focused and properly prioritised. Ministers instructed the ESC in 2001 to develop further the Joint Activities/Dialogue sections of the OAA guidelines building upon the review of the implementation of such guidelines. In reaffirming the importance of ECOTECH in achieving the Bogor Goals, Ministers called for a more focused and intensified action agenda. In this regard, Ministers instructed officials to consider the possibility of establishing IAPs on ECOTECH.</p> <p>Ministers encouraged APEC fora to use the Clearing House electronic notice board facility to coordinate ECOTECH</p>	<p>SOM</p> <p>SOM</p> <p>CTI</p> <p>SOM CTI</p> <p>SOM SMEWG</p> <p>SOM TPTWG</p> <p>SOM TPT WG</p> <p>ESC SOM Relevant APEC Fora</p>
<p>Economic and Technical Cooperation</p>	<p><u>Ministers</u></p> <p>Ministers endorsed the SOM report on ECOTECH and its recommendations and conclusions. In advancing the APEC ECOTECH Agenda, Ministers stressed that ECOTECH projects should be more focused and properly prioritised. Ministers instructed the ESC in 2001 to develop further the Joint Activities/Dialogue sections of the OAA guidelines building upon the review of the implementation of such guidelines. In reaffirming the importance of ECOTECH in achieving the Bogor Goals, Ministers called for a more focused and intensified action agenda. In this regard, Ministers instructed officials to consider the possibility of establishing IAPs on ECOTECH.</p> <p>Ministers encouraged APEC fora to use the Clearing House electronic notice board facility to coordinate ECOTECH</p>	<p>ESC SOM Relevant APEC Fora</p>

Issue	Tasking	Responsible Fora
	<p>projects. Ministers also called for widening the participation in the ECOTECH projects and emphasised that the ESC should assume a more important role in APEC. In this regard, they instructed officials and APEC fora to communicate and publicise the benefits that APEC projects have brought to the quality of life of the people in the region, citing the publication on <i>Making APEC Matter More to People Through ECOTECH</i> as an example.</p> <p>Ministers welcomed a report on the Regional Integration for Sustainable Economies (RISE) and committed to seek greater private sector involvement as it would continue in China and Indonesia and expand to cities in other economies.</p> <p>Ministers welcomed the efforts to revitalise the <i>APEC Education Foundation</i> and urged economies to participate actively in the Foundation.</p>	<p>ESC Relevant APEC Fora</p>
Economic Committee	<p><u>Ministers</u></p> <p>Ministers endorsed the <i>Economic Committee's Report to Ministers for 2000</i> and noted the outcomes from the symposia organised by the EC for its research projects. They also welcomed the EC's report on the <i>Impacts of Higher Oil Prices on APEC Economies</i> and instructed the EC to continue to study this issue and to include the findings in the <i>2001 APEC Economic Outlook</i>.</p> <p>Ministers instructed the EC to identify recommendations that can be implemented through collective action and develop detailed plans of implementation in cooperation with APEC Secretariat and report to Ministers in their next meeting.</p>	<p>Member economies</p> <p>EC APEC Secretariat</p>
New Initiative on Human Capacity Building	<p><u>Leaders</u></p> <p>We commit to working in partnership with the widest spectrum of the business community and those in education and training throughout the region to develop the policies which can make it happen. As a first step toward building this partnership and setting the agenda ahead, Brunei Darussalam and the People's Republic of China will jointly host a high level APEC meeting of business government trainers and educators in China in 2001. We believe the outcome of this meeting will provide useful views for APEC Ministers and APEC fora.</p> <p>Today, we also launch a wide ranging Action Agenda for the new economy that outlines programs that will help our economies use advances in information technology to boost productivity and stimulate growth and extend services to the whole community. The Action Agenda includes ways to promote the right policy environment and build capacity to help create a framework to strengthen markets, electronic commerce, infrastructure, knowledge and skills development and provide affordable and more efficient access to communications and the internet. We recognise that this is only a start and we instruct all our Ministers and officials to develop this program further in 2001. We urge wide consultation and interaction with stakeholders in business and human capacity building as partners in our vision. We welcome ABAC's contribution to these issues this year and encourage them to continue that cooperation.</p> <p>We place particular emphasis on preparing our young people for the challenges ahead and agree that information technology should be a core competency for learning and teaching. We support APEC programs to enhance the quality of teachers and build sound education management through a process of cooperation in education in the region and commend the Association of Pacific Rim Universities and other organisations for their initiative to develop distance learning capacity.</p>	<p>SOM, Brunei Darussalam, China, HRD WG</p>

Issue	Tasking	Responsible Fora
	<p>within the region</p> <p><u>Ministers</u></p> <p>The emergence of the new economy has created a new dimension for human capacity building. In this regard, Ministers reaffirmed the importance of human capacity building and instructed senior officials to prepare a human capacity building strategy that would define the objectives, priorities and principles for APEC to respond to the challenges of the new environment.</p> <p>To support this process, Ministers agreed that a special coordinating group of HRD representatives led by the ESC be established to share information towards improving the coordination and efficacy of APEC's human capacity building efforts as recommended by SOM. In particular, Ministers endorsed the recommendation to improve the reporting and public outreach of APEC's efforts in human capacity building by tasking the Coordinating Group to prepare annually a report on Human Capacity Building to Leaders and Ministers. Ministers welcome Brunei's offer to provide assistance for the publication of the first annual report.</p> <p>Ministers acknowledge the significance of accelerating the adoption of information and communication technology (ICT) across the APEC fora in order to take advantage of the new opportunities and contributions it brings to delivery of education and training as well as in other aspects of capacity building. The work on human capacity building in the APEC region can be strengthened and be made more effective through the development of mechanisms to enhance partnerships among all stakeholders including business and workers. In this regard, Ministers encouraged APEC working groups to engage relevant non-government representatives and instructed officials to seek appropriate ways to engage them. Ministers welcomed the efforts by Brunei, Darussalam and China to advance this initiative.</p>	<p>SOM, ESC, HRD</p> <p>ESC, SOM, Brunei, Darussalam, HRD</p> <p>APEC For a</p>
<p>APEC Forum on Shared Prosperity and Harmony</p>	<p><u>Ministers</u></p> <p>Ministers welcomed the successful hosting of the <i>APEC Forum on Shared Prosperity and Harmony</i> held in Korea in 31 March – 1 April 2000. Ministers also welcomed the initiatives arising from the Forum and instructed officials and relevant fora to review them for implementation as appropriate.</p>	<p>SOM</p>
<p>New Economy</p>	<p><u>Leaders</u></p> <p>We instruct our Ministers to develop and expand this agenda in consultation and engagement with the stakeholders in order to</p> <ul style="list-style-type: none"> • Strengthen our market structures and institutions to enable new and existing forms of trade and investment in goods and services to flourish in the new environment • Develop a conducive policy environment for investment in infrastructure and the development of technology and • Induce innovation and entrepreneurship and build human capacity and knowledge through comprehensive and high quality education, training and skills development programs 	<p>SOM, EC</p> <p>SOM, APEC, Fora</p>

Issue	Tasking	Responsible Fora
	<p><u>Ministers</u></p> <p>The world economy is experiencing a trade and technological revolution with rapid growth in the Internet thriving e-commerce and many other changes that are transforming the way business and trade is conducted. The efficiencies from the ICT revolution present many opportunities for both developed and developing economies to achieve higher growth and realise better standards of living without igniting inflation. However, as discussed in the two EC's reports <i>Towards Knowledge Based Economies in APEC</i> and <i>APEC Economies beyond the Asian Crisis</i> to fulfill much of these potential benefits would require an appropriate policy framework that encourages strengthening the functioning of markets openness to trade and investment innovation and new enterprises sound macroeconomic policy education and lifelong learning and the enabling role of information and telecommunications infrastructure. Ministers recognised the importance to the new economy of innovation in the software industry. In this context they agreed that APEC should promote strong asset management practices to ensure legal and proper use of software and other IP assets by users. Ministers also requested officials to examine ways to enhance interaction among IT professionals using existing APEC fora.</p> <p>Ministers acknowledged that a digital divide could further widen social and economic disparities across the APEC region and underlined the importance of ensuring that everyone in the APEC region has access to the opportunities presented by ICT networks. Ministers therefore called for improvement in access to affordable technology. The new economy is primarily driven by the business sector therefore APEC needs to strengthen its relationship with the business community in ensuring that APEC's work remains relevant. In this regard Ministers called for a public private partnership to create digital opportunities and spread the benefits of the new economy throughout all segments of society. Ministers reaffirmed the vital linkages between education and maximisation of the potential of the new economy stressing that as the region moves ahead no person should be left behind. As part of the efforts to reduce the digital divide Ministers also reaffirmed the importance for all children in the region to have access to basic education.</p> <p>Ministers welcomed the conclusions reached at the two APEC symposia on venture capital which were the follow ups of the endorsed proposal on <i>Economic Revitalisation through Start Up Companies and Venture Capital</i> held in Chinese Taipei this year and encouraged further work in this area. Ministers instructed officials to coordinate and package the various APEC initiatives that concerned with the new economy for the benefit of synergy. The following initiatives were endorsed by Ministers</p> <ul style="list-style-type: none"> ▪ the US proposal on <i>Readiness Evaluation Action Partnership</i> ▪ Chinese Taipei's proposal on <i>Transforming the Digital Divide into a Digital Opportunity</i> of which the phase I will be implemented in 2001 ▪ Viet Nam's proposal to develop an <i>APEC Guide to Enact Legal Framework for Electronic Commerce</i> ▪ Korea's proposal on <i>Cyber Education Cooperation</i> ▪ Brunei's proposal on <i>Human Capacity Building in APEC Meeting the needs of the 21st Century</i> ▪ Singapore's proposal on <i>Use of Information Technology in a Learning Society</i> ▪ Malaysia's proposal on a <i>Network of Skills Development Centers</i> and ▪ the EC's project on KBE 	<p>SOM Member economies</p>

Issue	Tasking	Responsible Fora
Electronic Commerce	<p><u>Leaders</u></p> <p>Convene a High Level Symposium on E Commerce and Paperless Trading in 2001 to develop ecotech and capacity building programs</p> <p><u>Ministers</u></p> <p>Ministers emphasized the need to make progress in various other aspects such as capacity building consumer protection network security favourable and compatible legal framework and in the role of e commerce in trade facilitation to gain full benefit from e commerce</p> <p>In pursuing capacity building and helping SMEs to adopt e commerce Ministers endorsed a proposal on <i>APEC Wide Action Plan to Support Use of Electronic Commerce by SMEs</i>. They also endorsed a symposium on <i>APEC High Level Symposium on E Commerce and Paperless Trading</i> by China and Australia. Ministers commended the progress made in the <i>APEC E Commerce Readiness Initiative</i> and acknowledged that 20 economies are participating in the initiative using the <i>APEC Electronic Commerce Readiness Guide</i>. Ministers encouraged all economies to make use of the results of Readiness Assessments to guide future policies and plan further work to enhance e commerce readiness in their respective economies. Ministers also commended the efforts by the PECC in bringing together all interested parties to develop a comprehensive approach for training and education needs in e commerce</p> <p>Recognizing the need to improve consumers trust and confidence in e commerce Ministers endorsed a work programme leading to favourable as well as compatible legal and regulatory frameworks for consumer protection electronic transactions documents and signatures across APEC. In this regard Ministers welcomed work on legal framework for e commerce and further workshops on e government authentication and network security and current business models</p> <p>As e commerce is becoming a mainstream activity across many sub fora Ministers urged the need of better coordination and collaboration. In this regard Ministers instructed officials to work together with the Secretariat in updating the inventory on e commerce activities and consider widening the scope of APEC's e commerce work programme taking into account the relevant recommendations by the Electronic Commerce Steering Group (ECSG). Ministers also urged economies to promote participation of private sector in establishing interconnection and interoperation among the existing Electronic Data Interchange (EDI) systems respectively in each economy.</p>	<p>ECSG CTI & SCCP</p> <p>SOM APEC Secretariat, ECSG and other fora</p>
<p>Making APEC Matter More <i>APEC Public Outreach/ Trade Liberalisation</i> <i>Communicating the Benefits of Trade Liberalisation</i></p>	<p><u>Ministers</u></p> <p>Communicating the role of APEC and the benefits of trade liberalisation remains a key collective and individual task. Consensus of wider public interest in the work of APEC. Ministers also endorsed the establishment of an Ad Hoc Study Group of Officials on APEC Interaction to consider how best to benefit from the interests expertise and insight of our communities and requested Brunei Darussalam to lead the group.</p> <p>Recognising the importance of outreach activities Ministers also noted the SOM's recommendations to Ministers for APEC to develop effective communication and outreach strategy with the assistance of an independent expert.</p>	<p>SOM Brunei Darussalam</p> <p>SOM APEC Secretariat</p>

Issue	Tasking	Responsible Fora
<p><i>BizAPEC.com</i></p>	<p>Recognising that close liaison with the private sector and other groups remains an important tool for achieving outcomes that are meaningful to our communities particularly to business Ministers instructed officials to enhance interaction of APEC with the business community and other relevant stakeholders where appropriate as exemplified by the hosting of the <i>SME Business Forum and E Trade Fair</i> parallel to the SME Ministerial in Bandar Seri Begawan</p> <p><u>Leaders</u></p> <p>We encourage the business community to utilise our new BizAPEC website as a tool for seeking new opportunities within the region and to facilitate their trade and commerce We ask our officials to make this a dynamic centre of information and reflective of the ongoing interests of business This initiative along with others implemented by APEC can facilitate small and medium enterprises in their efforts to build strategic alliances and take up the advantages of international trade and investment</p> <p><u>Ministers</u></p> <p>In view of the vast potential of E commerce to promote and facilitate trade in the APEC region Ministers welcomed and commended the development of the <i>bizAPEC.com</i> website under the initiative of the <i>Improved APEC Internet Services for Business</i> and instructed officials and economies to publicise maintain and update the website</p>	<p>SOM Member economies SME WG all relevant fora</p>
<p>Framework for the Integration of Women in APEC</p>	<p><u>Leaders</u></p> <p>We welcome and endorse recommendations from the Ad Hoc Advisory Group on Gender Integration to further accelerate the implementation of the Framework and see this as a continuation of our past efforts to ensure that all people in our economies achieve their full potential for improved economic and social well being (http://www.apecsec.org.sg/workgroup/gender.html)</p> <p><u>Ministers</u></p> <p>Ministers commended the <i>Gender Information Sessions</i> held in several APEC fora and instructed other APEC fora that have not held a Session to request one In view of the fact that further work was needed to enhance women's participation in the APEC process Ministers tasked APEC fora and encouraged economies to fully implement all the recommendations of the SOM and moe broadly to implement the <i>Framework</i></p>	<p>AGGI SOM APEC Fora, Member economies</p>
<p>Social Impact of the Crisis</p>	<p><u>Leaders</u></p> <p>To better prepare ourselves for the future we instruct all our Ministers to make renewed efforts in APEC work on developing strategies to manage the required structural adjustments more effectively We ask them to include in this ways to look after those disadvantaged by economic change including through continued work on social safety nets We also ask them to include ways to develop systems of good governance and robust institutional frameworks for the financial and corporate sectors</p>	<p>SOM Member economies</p>

Issue	Tasking	Responsible Fora
	<p>We welcome the outcome of the APEC Forum on Shared Prosperity and Harmony held in Seoul in April. The Forum provided an important opportunity to discuss economic and social policies for sustained growth. In particular we welcome the proposal to strengthen social safety net activities in APEC to address economic disparities. We hope that this kind of policy dialogue established by the Forum will continue among APEC economies (http://www.apecforum.go.kr)</p> <p><u>Ministers</u></p> <p>Ministers reiterated the importance of supporting the poor and vulnerable segments of the communities that were affected by the crisis and by the process of economic restructuring. In this respect Ministers endorsed a proposal on the <i>Revitalisation of Social Safety Net Activities in APEC</i> by Korea and Thailand. They also agreed to establish an Ad hoc Task Force on Strengthening APEC Social Safety Net for reviewing APEC's activities on social safety and forward recommendations to Ministers in 2001.</p> <p>Ministers noted the further work by various APEC fora to strengthen social safety nets and to reduce the adverse impacts of the Asian crisis. This includes the establishment of the Australian Thailand Social Protection Facility that focuses on providing capacity building assistance for the development of social policy and programme delivery. Ministers also noted the successful hosting of the <i>Third Regional Forum on Pension Fund Reform</i> held in Thailand in March 2000. The forum deliberated on the integration of social security pension and provident funds as well as supervisory and regulatory matters. Ministers also welcomed the synthesis submitted by Canada of the report <i>The Poor at Risk's Economic Crisis in Southeast Asia</i>.</p>	SOM SOM Ad Hoc Task Force on Social Safety Nets
Management Review	<p><u>Ministers</u></p> <p>Ministers endorsed the SOM Chair's Report on the Review of APEC's Management Process and all its recommendations particularly the <i>Criteria for the Establishment of New APEC Fora</i> the <i>Mechanism for Delivering for Developing Greater Links Among APEC Fora</i> and their work programmes. Ministers also noted the achievement of the 3 year management review process led by Brunei Darussalam, New Zealand and Malaysia including implementation of measures endorsed during the process. Ministers also noted the conclusion of the three year management review process. They further noted the SOM's decisions to improve the management process and requested the SOM to continue streamlining APEC process on an ongoing basis.</p> <p>Ministers noted the renaming of the Infrastructure Workshop (IWS) as Group on Economic Infrastructure (GEI). They also agreed to rename the ATCEG as Agricultural Technical Cooperation Working Group (ATCWG) and the PLGSME as Small & Medium Enterprises Working Group (SMEWG).</p>	SOM
2001 Budget	<p><u>Ministers</u></p> <p>Ministers endorsed the SOM Chair's Report on Budget Issues and approved the 2001 budget of US\$7 661 920 and contribution of US\$ 3 338 000 from member economies to the APEC Central Fund.</p> <p>Ministers delegated authority to the Budget and Management Committee (BMC) to approve for immediate implementation of but subject to satisfying the usual criteria and bearing in mind the need to maintain long term budget sustainability.</p>	APEC Secretariat BMC

Issue	Tasking	Responsible Fora
	<p>urgent projects that have not been submitted to Ministers/Officials for inclusion in the annual operational budget and to make use of the uncommitted reserves accrued after June/July for urgent projects under the Operational Account</p>	
APEC Secretariat	<p><u>Ministers</u></p> <p>Ministers requested that future report from the APEC Secretariat to include organizational structure of APEC and the Secretariat</p>	APEC Secretariat
Implementation of Initiatives from Sectoral Ministerial Meetings	<p><u>Ministers</u></p> <p>In ensuring overall effectiveness of the APEC process Ministers requested officials to undertake a review on the implementation of initiatives that were endorsed in APEC Sectoral Ministerial Meetings</p>	SOM relevant APEC Fora
Education	<p><u>Leaders</u></p> <p>We welcome and endorse the outcome of the second APEC Education Ministers Meeting held in Singapore in April. We agree with the key strategies identified by the Ministers for APEC economies to develop their education systems and meet the challenges of the new economy. We also welcome the decision by the Ministers to meet every five years to chart the future visions and directions for cooperation in education (http://www.apescsec.org.sg/virtualh/minsmtg/mtegedu2000.html)</p> <p>We endorse our Ministers' initiative for APEC to prepare a human capacity building strategy that would define the objectives, priorities and principles for APEC to respond to the challenges of the 21st century</p> <p><u>Ministers</u></p> <p>Ministers instructed officials to develop an overall workplan in these strategic areas and that the Education Network of the HRD WG would coordinate implementation of the workplan. Ministers noted the decision of the AEM to meet once in every five years. Ministers also noted the progress on the initiative by Australia and New Zealand to identify measures affecting trade and investment in education services in the Asia Pacific region and instructed officials to finalise the initiative this year including identifying potential areas for cooperation and to report to the MRT Meeting in 2001</p>	SOM ESC HRD WG HRD WG SOM
Telecommunications	<p><u>Leaders</u></p> <p>We support the actions of APEC Ministers Responsible for Telecommunications and Information Industry in their Cancun Declaration which lays out a Program of Action and Principles and we urge them to find mutually beneficial ways to build upon this work to help achieve the visions we have set out in Brunei this year (http://www.apescsec.org.sg/virtualh/minsmtg/mtegte12000.html)</p> <p><u>Ministers</u></p> <p>Ministers welcomed the outcomes from the Meeting of Ministers of Telecommunication and Information Industry (TELMIN) held in Cancun, Mexico in May 2000, in particular the adoption of the <i>Cancun Declaration</i>. Ministers noted the commitments on advancing Asia Pacific Information Infrastructure (APII), Asiatic Information Society (APIS) and</p>	TEL TEL

Issue	Tasking	Responsible Fora
SME	<p>on implementation of the Reference Framework for Action in E Commerce Ministers also noted the role of TELMIN in promoting pro competitive environment and cooperation with the business sector in broad areas</p> <p><u>Ministers</u></p> <p>Ministers acknowledged that SMEs were important for sustaining economic recovery and that APEC should respond to their needs in supporting the foundations for growth and creating new opportunities. They welcomed the outcomes from the SME Ministers Meeting held in Bandar Seri Begawan Brunei Darussalam in June 2000 and encouraged APEC fora to advance the interests of SMEs in the areas of HRD ICT financing and strategic alliances. In this context Ministers instructed officials and relevant fora to develop work programme in these specified areas and joint with private sector in enhancing SMEs development. Ministers encouraged economies to consider opening up some of their domestic training programmes to participants from APEC economies on a voluntary basis and to include a list of trainers that are available for conducting training across the APEC region. Ministers acknowledged the New Business Partnership Initiative that facilitates commercial linkages between American SMEs and qualified business partners from interested APEC economies and requested the US further develop the programme during 2001 and report to the SME Ministerial in Shanghai.</p>	SME/WG relevant APEC For a
Tourism	<p><u>Leaders</u></p> <p>We endorse the APEC Tourism Charter prepared by APEC Ministers Responsible for Tourism at their meeting in Seoul noting its forward looking approach and its inclusion of comprehensive time bound goals a program of capacity building and action plans to build capacity in tourism and remove impediments to future growth in the sector (http://www.apecsec.org.sg/virtualb/minismitg/migtwg2000.html)</p> <p><u>Ministers</u></p> <p>Ministers noted the outcomes from the first Tourism Ministerial Meeting in Seoul in July 2000 including the adoption of the <i>Seoul Declaration on APEC Tourism Charter</i>. In this respect Ministers instructed officials to develop collective commitment for promoting tourism in the APEC region and report progress in 2001. Ministers also welcomed the deliverables on <i>Environmentally Sustainable Tourism Establishment of a Tourism Information Network and Tourism Satellite Account</i> and instructed the Tourism Working Group to take actions to implement them.</p>	TWG SOM TWG
Energy	<p><u>Leaders</u></p> <p>We welcome the message from APEC Energy Ministers from their meeting in San Diego this year and commend the commitments made in their Declaration. Recognising that energy is central to building the region's economic and social future, strengthening the marketplace and promoting clean and sustainable development, we support their simultaneous pursuit of economic growth, energy security and environmental protection. We welcome the new energy security initiative and the new implementation strategy and note that the latter offers important capacity building elements including an option available by request from economies for on site visits by facilitation teams to share experiences on implementation according to needs expressed by that economy (http://www.apecsec.org.sg/virtualb/minismitg/ennm4.html)</p> <p>We note the risks posed by oil price volatility to the world economic recovery and for developing economies that are heavily</p>	EWG Member economies

Issue	Tasking	Responsible Fora
	<p>dependent on oil market conditions and the need to stabilise prices at sustainable levels. In the light of rising world demand we call for appropriate increases in supplies and other necessary measures to promote long term price stability in the mutual interests of consumers and producers.</p> <p><u>Ministers</u></p> <p>Ministers noted the report of the Senior Officials and in view of the importance of strengthening energy security in member economies including achieving greater equilibrium between supply and demand directed the Energy Working Group to continue its programs to improve the functioning of energy markets energy efficiency and conservation diversification of energy resources renewable energy development and deployment and explore the potential for alternative transport fuels to alleviate pressure on the oil market. Ministers also noted the new initiative to develop and share information on a voluntary basis on the role that stocks could play as an option to respond to oil market disruptions.</p>	EWG
Finance Ministers	<p><u>Leaders</u></p> <p>We note the importance our Finance Ministers have placed on building capacity in these areas. We welcome their progress and further extension of work in a wide range of programs including skills development of financial regulators and insurance regulators and insolvency law reform and financial disclosure. We encourage Finance Ministers to continue to share experiences and expertise on key issues like privatisation and managing bank failures as well as strengthening social safety nets to deepen the region's understanding of how markets and institutions can be strengthened to face ongoing change.</p> <p>A study of APEC economies experiences in managing bank failures with the goal of developing a set of recommendations based on case studies that illustrate lessons from managing bank failures in our region.</p>	Finance Ministers
Infectious Diseases	<p><u>Leaders</u></p> <p>The new information and communication technology also enables important networks to be developed to extend health and medical services to the wider community and to address basic health issues. We commend the progress already made in strengthening disease information networks. We commit to fighting HIV/AIDS and other infectious diseases and call on the relevant authorities to report in the next year on a strategy which can be used in APEC to more effectively meet these disease challenges.</p>	SOM IST WG
Youth	<p><u>Leaders</u></p> <p>The future lies in our youth. The investments we make in encouraging them to cherish the region's rich cultural diversity and in the development of their knowledge and skills will to a large degree determine the future course of globalisation. We welcome the wide ranging programs offered by several economies promoting the interaction of youth this year and we strongly encourage these activities to continue in order to build a greater sense of community within the Asia Pacific.</p>	SOM HRD WG Member economies

Issue	Tasking	Responsible Fora
Air Services	<p><u>Leaders</u></p> <p>We also welcome the progress in implementing the recommendations for more competitive air services on a voluntary basis including the proposals on widening and deepening the measures within APEC as well as a plurilateral arrangement among five like minded economies</p>	TPT SOM
Business Development in APEC	<p><u>Leaders</u></p> <p>We strongly endorse the approaches many APEC fora are making to interact with the business sector in their programs and we encourage the business sector itself to be proactive in helping to shape the policy environment in which it works. We welcome the initiative of a dialogue with the chemical industry. We support ABAC's recommendation for the development of a network of Institutes of Directors to promote and facilitate the adoption of best practices and international standards in transparency and corporate governance</p>	SOM

Beijing Initiative on APEC Human Capacity Building

May 15-16, 2001, Beijing

The APEC High Level Meeting on Human Capacity Building in Beijing on 15-16 May, 2001 was initiated at the APEC Leaders meeting last November by H E President Jiang Zemin of the People's Republic of China, and H M Sultan Haji Hassanah Bolkuah the Sultan and Yang Di-Pertuan of Brunei Darussalam and supported by all APEC Leaders. The initiative had its origins in the vision laid out by APEC Leaders in Brunei who committed to put in place a policy framework which would enable all people in APEC economies to have individual or community-based access to the services of the Internet by 2010 and to treble the number with access in APEC economies by 2005. They placed particular stress on the importance of human capacity building to ensure that all people could benefit from these goals and on partnerships across the widest spectrum of stakeholders to develop the necessary policies and programmes to respond to this human capacity building challenge.

The High Level Meeting was chaired by H E Zhang Xuezhong, Minister of Personnel of the People's Republic of China and H E Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources of Brunei Darussalam.

More than 500 participants including Ministers and their representatives, government officials, business leaders, and experts from the education, academic and training sector from all 21 APEC economies met to address the theme *New Economy New Strategy Co-operation and Innovation to Build Human Capacity for Common Prosperity*. They worked together to reach a deeper understanding on the role of human resources in the economic and social development of the new economy. The participants also identified strategic options to strengthen human capacity building and to create partnerships across all stakeholders.

Challenges Ahead: Moving from Old to New for Stakeholders

The new economy is primarily a knowledge-based economy. It is a strategic combination of many factors. They include organizational and structural changes, an appropriate combination of technologies, policy settings and capacity building based on the innovation and creativity promoted by expanded international trade and global networked information technologies. Sustainability of the new economy is in part an effect of sound macroeconomic foundations, particularly in terms of fiscal stability and a commitment to openness in trade and investment.

The new economy offers unprecedented opportunities for economic growth, employment and higher living standards. It is also posing new challenges for APEC economies to respond to the management, policy, social and human resource impacts of globalisation and networked information technologies.

APEC comprises a diverse mix of economies requiring different approaches to the new economy some are leaders in innovation and creativity, others are capable of adopting and adapting those technologies, and there remain some that have yet to engage fully with those technologies APEC is able to support the development of effective responses to the new economy's challenges by promoting and facilitating human capacity building partnerships among all the stakeholders, in particular governments businesses and education and training sectors

The challenges created by the new economy emerge at many levels Businesses of all sizes from international corporations to micro enterprises, and family businesses must enhance their capabilities to participate in and take full advantage of the global economy Individuals from their student days and throughout their working lives face the need to continually update their knowledge and skills as part of a life-long learning society The challenges require stakeholders to question many traditional ways of thinking about, for example, technological change, work organization management practices employment practices, education and training and market behaviour and adopt a new concept of development to step up human capacity building What is most needed for APEC human capacity building currently is to bridge the digital divide and in return, convert "digital divide" into "digital opportunities" so as to benefit all economies

Strategic Options Working to Reach all People

Building human capacity must be based upon clear and dynamic strategies which can effectively respond to the rapid changes taking place There is a critical need to set objectives, principles and priorities, and formulate and carry out effective policy measures Participants identified some key elements which could be considered in developing strategic options These include the importance of policies that foster innovation and entrepreneurship, promote a broad distribution of the opportunities of the new economy, encourage engagement with all stakeholders, strengthen education as the foundation of life long learning, seek equal access and opportunity for women, and facilitate the diffusion of information and communication technology through regulation and measures to enhance access and public confidence

Within the APEC agenda human capacity building must be among the highest priorities As one of the pillars of the new economy, it must be integrated with the overall economic, social and human resources development strategies of member economies APEC should develop an integrated strategy for human capacity building through evolving cooperation, drawing on the experiences within the region and taking into account the diversity of APEC members in terms of development experiences, cultures and traditions

To take up the opportunities from the new economy, it is important for all sectors of the community to view resources allocated toward developing human capacity as an investment rather than a cost At the economy level individuals firms and governments

should all be encouraged to allocate a larger share of resource to developing human resources

Innovative Co-operation Better Policy Approaches

The meeting heard of many existing programs and activities to develop human capacity which are now underway in the region in response to the demands of the new economy. In many cases these were initiated outside of government but involved cooperation among government, business and education institutions. The meeting believed that these should be given strong support and that governments should reflect upon the policy environment which would facilitate these programs and enable them to be expanded.

All APEC member economies will benefit from promoting human capacity building through comprehensive, widespread and flexible partnerships and networks, engaging all sectors of the community, in particular government, business and education and training sectors. While these partnerships are likely to be based on the commercial, social and educational interests of stakeholders they should ultimately be targeted toward mutual benefit and common prosperity. An innovative and flexible cooperative approach would enable better identification of needs for human capacity building, a more transparent policy environment and more effective provision of public services tailored to specific needs.

Participants agreed that all parts of the community could play a constructive role in the development of APEC wide human capacity building strategies. Participants shared a rich diversity of perspective and experiences that demonstrate that partnership approaches to policy development and program delivery are successful.

The Way Forward Calls to Action

The meeting called for further action by APEC stressing that APEC economies would benefit from actively broadening the various cooperation channels, exploring new cooperation approaches, and undertaking various kinds of activities in the principle of mutual benefit, complementary endeavour and sharing resources.

Taking a market-based approach to many of the challenges posed by human capacity building is likely to provide an effective way forward. Resources must be mobilised and allocated and difficult choices must be made. Markets will not always successfully achieve social outcomes but they can provide the necessary incentives and signals.

The meeting believed that government must continue to play an important role even with a market-oriented approach. There are market failures and governments must provide a clear and transparent regulatory environment. Governments are both buyers and providers of technology and services and the choices they make will have a significant impact on the ability to use these services for effective capacity building.

In the context of the globalising economy, open international markets are crucial for many elements of human capacity building. They enable cross border flows of services and information. High levels of complementarity among APEC members in education and education services provide the potential for all APEC economies to gain access to the highest quality education, training and skills.

APEC can build upon the region's diversity. APEC includes some of the world's most advanced economies with substantial technological bases, strong and proven institutions and well developed human resources. It also includes developing economies which are in earlier stages of engagement with the new economy. APEC can play a significant role in bridging the digital divide by enabling all economies to tap the region's expertise and resources through the exchange of information, best practices and policy options.

The great diversity among APEC economies means there is no one best strategy for taking up the challenges of the new economy. Interaction within APEC can enable member economies to understand the strategic options open to them and develop appropriate policies and sets of actions.

The meeting recommended that this year's APEC Economic Leaders' Informal Meeting and Ministerial Meetings integrate human capacity building as a central issue and take into consideration the outcome of this meeting. APEC fora should shape the agenda for actions and policies ahead and accelerate human capacity building so as to further facilitate trade and investment liberalization and facilitation and sustainable economic growth for common prosperity in the Asia and Pacific region.



Asia-Pacific Economic Cooperation

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Senior Officials' Meeting 1

Follow-up on the New Economy Action Agenda

---Discussion Paper from the SOM Chair



Senior Officials' Meeting 1
Beijing, People's Republic of China
12-13 February 2001

Follow-up on the New Economy Action Agenda
-----Discussion Paper from the SOM Chair

Introduction

The New Economy with its tremendous potential for growth, employment and education is profoundly affecting every aspects of our society. However, the New Economy presents both opportunities and challenges. In order to reap the full benefits of the new economy, many economies, regions and international organizations have responded one after another.

The APEC economies are playing an important and active role in developing ICT and diffusing the technology around the world. Enterprises in our region are beginning to transform their business into e-business. Computers and Internet are becoming more and more popular in promoting economic and educational activities. Large resources have been poured into R&D for the promotion of information and communication technology. ICT and other hi-tech product have emerged as major components of industry in many APEC economies. More and more APEC economies are “wired” with the outside world. APEC is now at the dawn of an information society propelled by the growing forces of new economy.

Last year in Brunei, our Leaders announced APEC New Economy Action Agenda (NEAA), which demonstrated our determination towards building our society for the information age. Nevertheless, tremendous tasks lie ahead for APEC to play an active role in closing the digital divide and ensuring common prosperity by embracing the New Economy and information age. We are now at the threshold of a new phase of development.

Tasks and Mandate

In Brunei, our Leaders recognized that (The New Economy Action Agenda) is only a start and that it will require cooperation and partnership among APEC economies, and among business, government and the widest spectrum of the community. Our leaders further instructed our ministers to *“develop and expand this agenda in order to strengthen our market structures and institutions to enable new and existing forms of trade and investment in goods and services to flourish in the new environment to develop a conducive policy environment for investment in infrastructure and the development of technology and to induce innovation and entrepreneurships and build human capacity and knowledge through comprehensive and high-quality education training and skills development programs”*

Objectives

Through our work in 2001, we aim to

- a) Give effect to the New Economy Action Agenda (NEAA),
- b) Extend and broaden our consensus on cooperation in the area of new economy and ICT, with a view to arriving at an operational blueprint for building e-APEC

Indicative list of possible issue Areas

Work should be structured in line with the NEAA. New areas of cooperation may also be added. They may include inter alia

1 *Strengthening Markets*

- Challenges to economic governance, e.g. Macroeconomic policy-making and taxation under new economy
- The exchange of views on the development of relevant law, compatible legal and regulatory frameworks for new economy
- Protection of intellectual property with regard to new economy and ICT

2 *Narrowing digital divide*

- Information infrastructures and services, efficient, low-cost and high-speed communication platforms
- Training and human resources development
- IT literacy and skills through education, life long learning and training, cyber-education
- Entrepreneurship and SME

3 *Capital Market development*

- Building of venture capital market and second board market

4 *E-commerce*

- Increasing e-commerce readiness
- Electronic transaction and electronic signature, e.g. CAMRA
- Interoperability of IT products and services
- Legislation concerning e-business and dispute resolution

5 *Government cooperation*

- Anti-Cyber crimes
- E-government

6 *Other issues*

- ICT, new economy and traditional economy, the inter-linkages and interactions
- New economy and KBE

The framework and priorities of work in 2001 will be the subject of discussions for the proposed mechanism below

Mechanism

The follow-up of NEAA cuts across many areas of APEC current activities. It needs to draw on the ongoing work in many fora and subfora. The absence of a dedicated institutional home to oversee the process undercuts the focus and strength of our

efforts in this respect. There is an urgent need for APEC to approach the new economy and the development of ICT with vision, coherence and clarity. A mechanism should be established under SOM concentrating on the development of new economy and ICT. Thus, the establishment of an Ad Hoc Task Force for e-APEC under SOM is proposed.

Steps of implementation

SOMI would endorse the Ad Hoc Task Force for e-APEC and its TOR. The Chair/co-Chairs of the Task Force should be nominated for virtual endorsement by Senior Officials immediately after SOMI. Other representatives should also be nominated to the Task Force so as to enable it to start work as soon as possible.

Between SOMI and SOMII, the Task Force should meet virtually to develop the modality and framework of its work. On this basis, it should make recommendations regarding how to divide work among relevant APEC fora and lead economies. This will be finalized at a physical meeting before SOMII.

At SOMII, the Task Force will report the outcome of its discussions. According to the recommendations of the Task Force, SOM will assign tasks to relevant fora and lead economies.

Relevant fora and lead economies shall communicate their recommendations to the Task Force before SOMIII, when the Task Force will meet again to consolidate their work and make a progress report to SOMIII.

Between SOMIII and ISOM, the Task Force will finalize its work for submission through ISOM to the Ministers and the Leaders' meeting for endorsement.

[Attachment]

**Proposed Terms of Reference of
The Ad Hoc Task Force for e APEC**

1 Mandate

1.1 The Ad Hoc Task Force is to assist the SOM in overseeing and coordinating actions to implement, develop and expand the New Economy Action Agenda

2 Mandate Period

2.1 The Task Force shall be active for a period of two years, renewable as necessary

3 Composition of the Task Force

3.1 The Task Force is open to representation from each of the APEC member economies

3.2 The Task Force should be comprised of representatives nominated by Senior Officials. Representatives should have expertise in ICT and new economy

3.3 The Task Force should be led by a Chair/co-Chairs. The appointment of the Chair/co-Chairs will be decided through consultation among all members

3.4 Members will bear the cost of their own participation in the Task Force

4 Conduct of Business

4.1 The Task Force will operate on the basis of consensus among member economies and in line with APEC practices and guidelines

4.2 The Task Force will meet in the margin of SOM. In between meetings, it should meet virtually if necessary. The Chair/co-Chairs will decide the date to convene the meetings after consultation with members

4.3 The Chair/co-Chairs will notify members of the dates of meeting at least one month in advance

4.4 The agenda and supporting documents will be sent at least 15 working days before the date of the meeting



Asia-Pacific Economic Cooperation

2001/SOM1/011

Senior Officials' Meeting 1

Continued Implementation of AFS Recommendations
(SOM Chair)



Senior Officials' Meeting 1
Beijing, People's Republic of China
12-13 February 2001

CONTINUED IMPLEMENTATION OF AFS RECOMMENDATIONS

(SOM Chair)

1 INTRODUCTION

The recommendations contained in the APEC Food System (AFS) were first implemented in 2000. Progress reports on the implementation of the recommendations were submitted by some member economies and tasked fora. These progress reports were then reviewed by ESC and CTI. The final AFS report with an executive summary was compiled and prepared by the APEC Secretariat and submitted to SOM III in 2000 (refer to Annex 1).

The report was endorsed by SOM III and submitted to APEC Ministers and Economic Leaders, who both welcomed the SOM report on the implementation of the AFS at their meetings in Nov 2000 in Brunei Darussalam. Ministers encouraged economies and tasked fora to give priority to implementing the AFS recommendations through intensified activities in their areas of responsibility, and to provide reports annually on progress of the implementation of the AFS recommendations. Economic Leaders reconfirmed their commitment to address in parallel three areas of cooperation: the development of rural infrastructure, the promotion of trade in food products, and the dissemination of technological advances in food production and processing, and urged APEC fora and members to increase momentum in this regard as recommended by ABAC (refer to Annex 2).

2 ISSUES FOR DISCUSSION

In light of the directives from both APEC Economic Leaders and Ministers, the following issues need to be addressed to facilitate continued effective implementation of the AFS recommendations:

2.1 Focus/deliverable for 2001

Since no new AFS-related recommendations were proposed in 2000, except those from ABAC which will be discussed next, the implementation should be focussed on the existing AFS recommendations. To this end, it is desirable for relevant fora to align their activities for 2001 with the 2001 APEC theme and sub-themes so that its implementation can make a direct contribution to deliverables for 2001.

2.2 ABAC Recommendations

ABAC, in its 2000 report to Leaders, made a number of recommendations concerning AFS (refer to Annex 3). Member economies and relevant fora should take them into account.

2.3 Coordination

In 2000, the APEC Secretariat was assigned the task of drafting the AFS report based on reports submitted by tasked fora and member economies. SOM may designate the APEC Secretariat to continue as the coordinator in reporting based on information to be provided by relevant fora and member economies.

2.4 Implementation

Member economies are encouraged to participate in this year's exercise more actively and to nominate AFS contact points to the APEC Secretariat to facilitate better coordination.

Based on the feedback from tasked fora and the Secretariat's experience last year, some adjustments to the tasking matrix have been proposed for SOM's consideration. The revised tasking matrix is at Annex 4. As the Joint Fora meeting will be held directly after SOM I, it is desirable to have the revised matrix endorsed by SOM in principle and forwarded to the Joint Fora meeting for further comment. At this stage, no changes to the standard reporting template and process are proposed. Furthermore, SOM may direct tasked fora to make a greater effort to implement the recommendations and submit their reports according to the timetable below, which takes into account the fact that SOM III will take place in August this year.

3 RECOMMENDATIONS

In light of the above, SOM I is requested to consider the following recommendations:

- Relevant fora should align their focus in implementing AFS activities with 2001 APEC theme and sub-themes,
- Member economies and relevant fora should take into account ABAC's AFS-related recommendations in their work.
- Designate the APEC Secretariat as coordinator of reporting on AFS recommendations.
- Encourage member economies to participate in the AFS more actively and provide AFS contact points to the APEC Secretariat by 15 March 2001,
- Endorse in principle the revised tasking matrix in Annex 4,
- Endorse the following implementation timetable.

Timeframe	Task to Be Completed
10 July 2001	All member economies submit their individual progress reports to the APEC Secretariat and all tasked fora submit their progress reports to the APEC Secretariat, with copy to Chairs of ESC (Working Groups) and CTI (CTI sub-fora)
1 Aug 2001	Chairs of ESC, CTI submit their overviews to the APEC Secretariat
10 Aug 2001	The APEC Secretariat circulates executive summary and the AFS report to member economies and Chairs/LSs for comments
SOM III	The APEC Secretariat submits revised AFS report to SOM for consideration
Sept 2001	Finalization of the AFS report by APEC Secretariat, if necessary
Oct 2001	SOM submits the final AFS report to APEC Ministers and Leaders

It is further recommended that the SOM Chair inform the Joint Fora meeting of the relevant decisions taken by SOM I and ask relevant fora to take action accordingly.

Annex 1
SUMMARY OF 2000 AFS REPORT

Introduction

During their meeting in Auckland in 1999 Leaders welcomed Ministers' report on the APEC Food System (AFS) proposed by ABAC and endorsed the recommendations on rural infrastructure dissemination of technological advances in food production and processing and promotion of trade in food products. Leaders instructed Ministers to implement these recommendations taking into account ABAC's submission last year and to monitor annually progress toward achieving the AFS.

In response to Leaders' instruction SOM has tasked APEC fora /sub fora and member economies to report on progress achieved in implementing the recommendations in AFS.

Summary of the Compiled Reports on APEC Food System

Nine member economies and 6 of the tasked fora/sub fora have submitted their reports.

On the whole the AFS recommendations are being implemented by most of the tasked APEC fora/ sub fora indirectly and in broad terms.

CTI and its sub fora with the exception of SCSC have not implemented AFS recommendations in a direct sense but the progress achieved in advancing APEC's agenda on trade and investment facilitation and liberalization indirectly support AFS. The SCSC's project on food and drug interface aims to seek specific guidelines for good regulatory practice for products at the food and drug interface and principles of certification of such products (exploration of APEC agreed form of certification).

ESC reports that it does not have a mechanism to influence the prioritization of projects by APEC Fora that assist with the facilitation and growth of regional trade in food products and improve the technical infrastructure for developing economies. However with the development of appropriate food regulatory frameworks and standards by the SCCP and SCSC the ESC will be consulting with the TP WG to see if it could assist in the promotion of trade in food products including through trade fairs.

ATC has actively implemented the AFS recommendations. A key outcome for the group this year is the Biotechnology Report endorsed by Trade Ministers meeting at their Darwin meeting. Further concrete steps to be taken by the ATC include two workshops in biotechnology to be organized in 2000 and 2001. The workshops will focus on how to enhance the general public's understanding of biotechnology by exchanging information on best practices in member economies and addressing environmental issues.

HRD's task on accessibility to and quality of rural education focuses on utilization of Internet education in remote areas. PLGSME has taken a broad approach with their programs which focus on further developing APEC's business outreach with respect to SMEs and interaction between government and private sector.

Infrastructure Workshop has in collaboration with PECC the ADB and World Bank made tremendous progress in developing a strategy to improve rural infrastructure and implementing it through the Regional Integration for Sustainable Economies (RISE) project.

Among the fora which were not tasked to report IST is identified as having some activities contributing to implementation of AFS. The working group's post harvest project aims to establish an Internet based network along with a virtual post harvest R & D center.

Member economies report that they are faithfully implementing the four recommendations which SOM tasked them to report on. Economies also report that they strictly abide by the WTO agreements in agriculture and food fully support APEC's position in WTO negotiations on agriculture and have made progress toward achieving Bogor goals in the food sector through efforts such as restructuring import tariffs eliminating unnecessary impediments to trade in food and strengthening cooperation on capacity.

building and information sharing in agricultural technology. The reporting economies continue to take steps to upgrade educational infrastructure and facilities to provide training in rural areas to implement the recommendation on improving the availability of rural education.

The reports however do not indicate problems members might be experiencing in implementing the recommendations. The nature of some reports is general and does not include specific actions taken by the member economies.

Discussion/ Decision Points

The number of reports submitted is relatively small and the content in the reports may need to be supplemented with further detail. In order for SOM to respond to Leaders' instruction more faithfully, SOM recommends that:

- Member economies and tasked fora which have not submitted a report provide their reports to the SOM Chair through the APEC Secretariat by the first week of Oct. 2000.
- Member economies and tasked fora supplement their report within the same time frame if deemed necessary.
- SOM I review in 2001 the need for reestablishment of the Ad hoc Task Force to enable closer monitoring of AFS implementation and to maintain an effective overview of progress.

SOM also recommends to Ministers that subject to the above supplementary action being taken:

- Ministers endorse the SOM's report on APEC Food System.
- Ministers instruct members and tasked fora to continue to take more concrete steps and develop more activities to implement the AFS recommendations during 2001.
- Ministers request that members and tasked fora provide reports on progress in implementation of AFS during 2001.

**DIRECTIONS FROM APEC LEADERS AND MINISTERS IN BRUNEI
AND DECISION OF SOM III IN 2000**

1 Leaders' Declaration

We welcome the progress report from Ministers on the implementation of the recommendations of the APEC Food System. We recall that the APEC Food System can make an important contribution to meeting the objectives of APEC given the importance of the region's food sector. We reconfirm our commitment to address in parallel three areas of cooperation: the development of rural infrastructure, the promotion of trade in food products, and the dissemination of technological advances in food production and processing. We urge APEC fora and members to increase momentum in this regard as recommended by ABAC.

2 Ministers' Joint Statement

Ministers welcomed and endorsed the SOM report on the implementation of the AFS. They reaffirmed the importance of addressing the three areas of the AFS: rural infrastructure development, promotion of trade in food products, and dissemination of technological advances in food production and processing. Ministers encouraged economies and tasked fora to give priority to implementing the AFS recommendations through intensified activities in their areas of responsibility and to provide reports annually on progress in implementation of the AFS recommendations.

3 SOM III Summary Record

The Meeting welcomed the report on progress in implementation of the APEC Food System tabled by the APEC Secretariat that appears as *Annex 39*. SOM noted that it tasked APEC fora and nine member economies had undertaken actions in broad terms to implement the AFS recommendations. It was acknowledged that some of the actions had not corresponded directly to the implementation of the AFS recommendations but the on-going work by the various APEC fora in advancing the APEC's broad agenda including TILF had contributed in fulfilling a significant proportion of the recommendations of the AFS.

2000 ABAC RECOMMENDATIONS CONCERNING AFS

- Support rural economic opportunity especially the APEC PECC project Regional Integration for Sustainable Economies (RISE)
- Invite representatives of the World Bank ADB and the IADB to attend APEC Leaders meetings in 2000 and 2001 to discuss rural infrastructure development
- Create a network of domestic champions (i.e. entities in each economy capable of understanding and articulating technological advances in the food industry)
- Declare APEC to be an agriculture export subsidy free zone
- Require that each economy carry out a self assessment of all the impediments it faces in increasing its capacity to import and export food products by 2001
- Include by 2001 a specific section in the Individual Action Plans on what is being done to achieve the APEC Food System
- Increase the number of economies signing on to the APEC Food Mutual Recognition Agreement to at least fifteen by 2001
- Abolish by the 2001 Leaders meeting in Shanghai all practices regarding the limiting of food supplies to other members for political or economic reasons and eliminate taxes and quantitative restrictions on food exports

REVISION OF TASKING MATRIX FOR APEC FOOD SYSTEM IMPLEMENTATION

Rural Infrastructure Development

Recommendation	Implementation Action Required	Fora Responsible
(ii)	Place high priority on addressing the issue of rural education	HRD
(iii)	Actively encourage joint initiatives in infrastructure development and communicate benefits of these initiatives to member economies	GEI
(iv)	In conjunction with the World Bank Inter American Development Bank FAO and other bodies as appropriate investigate new and innovative ways to attract investment necessary to build facilities and rehabilitate existing rural infrastructure	GEI, ATC
(v)	Undertake and intensify work on the three areas of cooperation identified by ABAC s AFS proposal	SME

Dissemination of Technological Advances in Food Production and Processing

Recommendation	Implementation Action Required	Fora Responsible
vi (d)	Further cooperation in research and development and the dissemination of food related technology	ATC, IST, GEI
vi (e)	Build partnerships between public and private sectors in food technical cooperation to further technology transfer training facilities and training programs	ATC, IST, GEI
vi (f)	Foster environmentally sound agricultural policies	ATC, IST
vi (g)	Maintain awareness of and contribute to international developments in research and policies related to genetically modified foods and intensify science based approaches to the introduction and use of biotechnology products	ATC, IST

Promotion of Trade in Food Products

Recommendation	Implementation Action Required	Fora Responsible
vi (a)	Provide clear predictable and easily understood food regulatory frameworks and standards	SCCP SCSC

vi (b)	Accord priority to projects that assist with the facilitation and growth of regional trade in food products and improve the technical infrastructure for developing economies	CTI TPWG, GEI TTTF
vi (c)	Provision of progress reports to SOM on endorsement of existing initiatives such as the Food Mutual Recognition Arrangements	SCSC

Individual APEC Actions

Recommendation	Implementation Action Required	Fora Responsible
ii	Undertake cooperative measures with non government non profit organisations to improve the availability of rural education	Member economies /IAP Process
vii	Continue to ensure full and faithful implementation of the commitments on food arising from the Uruguay Round of multilateral trade negotiations	Member economies /IAP Process
vii (a)	Provide greater specificity on how member economies are going to meet their long term Bogor goals in the food sector in line with the OAA and noting ABAC s call for the elimination of unnecessary impediments to trade in food products ahead of the Bogor goals	Member economies /IAP Process
viii (b) & (c)	Actively and constructively participate in forthcoming WTO negotiations on agriculture to consider tariffs and non tariff measures further in the context of Art 20 of the WTO Agreement on Agriculture and convey to the WTO membership APEC s support for the abolition of agricultural export subsidies and unjustifiable export prohibitions and restrictions	Member economies



ASIA-PACIFIC ECONOMIC COOPERATION

2001/SOM1/025

SENIOR OFFICIALS' MEETING 1

ABAC 2000 RECOMMENDATIONS
(APEC SECRETARIAT)



Senior Officials' Meeting 1
Beijing, People's Republic of China
12-13 February 2001

ABAC 2000 RECOMMENDATIONS
(Compiled by the APEC Secretariat, Jan 2001)

STAY ON TRACK WITH TRADE AND INVESTMENT LIBERALIZATION AND FACILITATION

PROCEED WITH LIBERALIZATION

- 1) **Support the WTO and the New WTO Round** ABAC strongly endorses the outcome of the June 2000 meeting of the APEC Ministers Responsible for Trade which included a proposal for a new strategic plan to build capacity to implement WTO agreements and enhance benefits from WTO membership. ABAC encourages further capacity-building initiatives that would enhance member economies' ability to benefit from the liberalization of trade and investment.
- 2) **Improve the Form, Substance, and Accessibility of the Individual Action Plan Process** This year ABAC undertook an assessment of three key areas with the Individual Action Plans, namely customs procedures, standards and conformance, and mobility of business people. The evaluation found that in many cases, IAPs were incomplete regarding what measures economies were planning to take to fulfill their commitments to collective action in those areas. ABAC encourages member economies to ensure that all measures being undertaken in fulfillment of their commitments to the Osaka Action Agenda be listed in the IAPs.
- 3) **Encourage Implementation of Electronic IAPs** ABAC warmly welcomes the development of the web-based electronic IAP (eIAP) system. The eIAPs will improve the comparability and transparency of IAPs and the new standardized reporting format will make it easier to track what each APEC economy intends to do to achieve the 2010-2020 goals of free and open trade and investment.
- 4) **Tackle the Growing Issue of Non-Tariff Measures within the IAPs** ABAC believes that the first step in tackling the challenges of NTMs is to develop some generally agreed principle on what constitutes NTMs. The more detailed reporting requirements in the revised IAP templates will be an important first step in this process. APEC may also wish to examine other existing classification systems for NTMs, such as the model developed by the Organization for Economic Cooperation and Development.
- 5) **Use the IAP Process to Encourage E-Commerce Readiness** ABAC proposes that a new policy area be included within the IAP structure to monitor and encourage e-commerce readiness. The new chapter would be based on the framework and indicators provided by the E-Commerce Readiness Initiative.
- 6) **Ensure Free Trade Areas Complement the Multilateral Trading System** ABAC recognizes that Free Trade Areas (FTAs) can make an important contribution to the liberalization of trade and investment within APEC and thus build momentum towards the achievement of APEC's Bogor Goals. However, ABAC believes strengthening the multilateral trading system, underpinned by the WTO, should remain APEC's top

priority ABAC welcomes the initial examination of this issue by the APEC Ministers Responsible for Trade in Darwin and believes that the negotiation of FTAs within APEC must take account of APEC's Bogor Goals and the Osaka Action Agenda Further consideration needs to be given by APEC economies to the implications of the Bogor Goals for such sub regional trade agreements

7) **Implement the APEC Food System** ABAC articulated eight milestones for achievement in 2000 and 2001 in a letter to APEC Ministers Responsible for Trade They are in accordance with the APEC principles of comprehensiveness, flexibility, WTO-consistency, and non-discrimination and also recognize the social, environmental and other non-food roles of agriculture ABAC urges Leaders to direct their implementation

- Support rural economic opportunity, especially the APEC-PECC project Regional Integration for Sustainable Economies
- Invite representatives of the World Bank, ADB and the IADB to attend APEC Leaders' meetings in 2000 and 2001 to discuss rural infrastructure development
- Create a network of "domestic champions" (i.e., entities in each economy capable of understanding and articulating technological advances in the food industry)
- Declare APEC to be an "agricultural export-subsidy free zone "
- Require that each economy carry out a self assessment of all the impediments it faces in increasing its capacity to import and export food products by 2001
- Increase the number of economies signing on to the APEC Food Mutual Recognition Agreement to at least fifteen by 2001
- Include, by 2001, a specific section in the Individual Action Plans on what is being done to achieve the APEC Food System

Abolish, by the 2001 Leaders meeting in Shanghai, all practices regarding the limiting of food supplies to other members for political and economic reasons and eliminate taxes and quantitative restrictions of food exports

FACILITATE BUSINESS

1) **Remove Impediments Associated with Standards and Conformance**

ABAC believes that removing impediments to international business associated with standards and conformance-testing problems is an important step for business facilitation

- APEC members should make a greater number of explicit commitments in their IAPs to contribute to standards and conformance objectives They should also report more of their work in their IAPs, including participation in APEC Collective Action Plan activities the adoption of mutual recognition arrangements on conformance testing, and progress on the implementation of WTO agreements relevant to standards
- APEC members have established a number of agreements related to standards but in many cases implementation includes only information exchange, and even then the commitment by members is still not always universal APEC members should do this and further extend commitments in relevant agreements to accept the results of testing processes or certification
- APEC members must be more active in international standards organizations ABAC applauds the progress of the four ad hoc technical working groups (i.e., on loading and structural design standards performance-based housing standards

timber standards, and hazardous area equipment standards) established under the APEC Sub-committee on Standards and Conformance (SCSC) ABAC strongly recommends that well-resourced programs be established to support these groups so as to produce practical solutions This work should later lead to mutual recognition arrangements for tackling trade barriers related to product testing and standards, including building costs

The cost of standards conformance and testing remains a significant issue for business, particularly SMEs The application of the suppliers declaration of conformity approach to testing can reduce these costs ABAC endorses the SCSC project on suppliers declaration of conformity to international standards for safety and electromagnetic interference regulations covering information technology projects

The adoption of international standards will require capacity-building to support implementation ABAC recommends that APEC members put in place programs to improve and maintain the standards development and conformance infrastructure of relevant member economies, including staff exchanges, information sharing and infrastructure sharing on a contract basis, and partnerships with the private sector

2) **Support Sectoral Government-Business Dialogues to Promote APEC's Facilitation Agenda** ABAC endorses the development of sectoral government-business dialogues in APEC to promote APEC's facilitation agenda

3) **Promote Business Mobility**

APEC members have to make it easier for business people to move around the region and, in order to make this possible,

- ABAC urges at least 12 APEC members to sign on to the APEC Business Travel Card Scheme by the end of 2000
- ABAC welcomes the efforts of APEC's Business Mobility Group to engage the private sector
- ABAC strongly supports the implementation of automated travel clearance systems, such as pre-clearance procedures to expedite the movement of travelers
- ABAC welcomes the progress by member economies on ABAC's 1999 recommendations on air services, and applauds the work done this year by some economies towards achieving an agreement on air services liberalization for members to adopt voluntarily

GIVE SUBSTANCE TO CAPACITY-BUILDING

BUILD STRONGER FINANCIAL SYSTEMS

1) **Undertake Benchmarking** ABAC recommends that APEC Leaders instruct Finance Ministers to promote a benchmarking exercise in which member economies' financial institutional frameworks and organizations are assessed against internationally recognized standards so as to create a momentum toward structural improvement of the region's financial markets

The benchmarking exercise should contain the following elements

- **Adoption of Standards** ABAC believes that APEC should not seek to draft its own standards and principles but should instead adopt appropriate standards from those

being advanced by international efforts. For the purposes of benchmarking, ABAC endorses the internationally accepted standards and codes of good practices identified by the Financial Stability Forum (FSF) in the report Issues Paper of the Task Force on Implementation of the Standards released in March 2000. However, further work is needed, particularly in the area of insolvency standards needed for creating an appropriate incentive structure for the making and endorsement of contracts.

- **Development of Action Plans** ABAC recommends that APEC Leaders support the development of Action Plans for the implementation of international standards. The Action Plans of each member economy should include priorities, timelines, intermediate targets, responsible entities, necessary legislative and regulatory changes, as well as identify capacity-building efforts that would assist in the implementation of standards.
- **Monitoring of Action Plans** A mechanism is needed for monitoring the implementation of standards against Action Plans. To assist transparency, APEC should prepare an annual progress report on the implementation of standards. For the purpose of supervising the monitoring process, a private sector consultative group such as ABAC, could be used. For the sake of efficiency, ABAC recommends that APEC economies participate in and undertake completion of the IMF's and World Bank's Report on Observance of Standards and Codes (ROSCs) and Financial Sector Assessment Program (FSAP) processes. Alternatively, member economies should be encouraged to undertake self-reporting in line with the ROSC and FSAP framework.
- **Guidance on Developing Action Plans** ABAC has identified a number of standards fundamental to fostering growth and improving resilience against financial crises. Due to the key role of banks in an economy, a two-pronged approach is needed. First, banking supervision in accordance with international banking standards--with particular emphasis on those pertaining to liquidity and solvency issues--is needed to reduce the risk of crisis. Secondly, a strong banking culture must be fostered through the development of sound self-regulatory organizations and practices.

The development and application of international accounting standards would provide the information necessary for providers of finance to assess and price risk accurately. Such standards also provide important underpinning for the development of bond and equity markets.

Effective insurance supervision is also essential to developing robust insurance markets.

ABAC applauds current capacity-building activities and recommends the development of further measures to facilitate adoption of these standards.

- 2) **Support Development of an Institute of Directors Network** ABAC recommends that APEC support the development of a network of Institutes of Directors to promote and facilitate the adoption of best practices and international standards in transparency and corporate governance. To assist in this aim, ABAC endorses the establishment of an Institute of Directors Forum in APEC economies.

3) **Facilitate Development of Bond Markets**

The over-reliance of the region's economies on short term finance, especially on debt, was one key factor that increased economies' vulnerability to financial crisis. As a result,

- APEC member economies where bond markets need to be further developed should commit to implementing the APEC Compendium of Sound Practices for the Development of Domestic Bond Markets, especially the initial step of establishing high-level domestic coordinating bodies to oversee efforts toward bond market development.

- APEC Leaders should initiate a capacity building initiative to assist developing member economies in promoting robust legal and regulatory frameworks and market infrastructure that will facilitate cross-border investment in bonds

4) **Strengthen the World Financial Architecture** ABAC supports ongoing efforts to enhance transparency in the world financial system to provide a more stable international context for the region's financial development. In particular, ABAC encourages APEC Leaders to

- Welcome the declaration by the G8 Finance Ministers at the Kyushu Meeting in July this year to review the IMF's contingent credit lines (CCL) with a view to enhancing its effectiveness. Current discussions to reform the IMF and other international institutions should be watched closely by APEC and, when appropriate, concerns should be expressed based on lessons from the Asian Crisis
- Welcome the recent Financial Stability Forum's Report on the Working Group on Highly Leveraged Institutions recommending indirect regulation of hedge funds and other highly leveraged institutions (HLIs) through enhanced supervision of bank's lending practices to these institutions. APEC should, where possible, support further international initiatives to enhance the transparency of HLI activities

ABAC urges the APEC Leaders to caution multilateral financial agencies to give greater weight to reliance on market discipline in developing the operational issues associated with implementing the framework for securing private sector involvement in crisis resolution

5) **Facilitate the Development of Second Board Markets** Increasingly second board equity markets are playing a critical role in fostering the development of the high technology sector and SMEs both of which are driving forces for future prosperity in the New Economy

- In recognition of the early stage of development of second board markets in many economies, ABAC recommends APEC members establish and adopt best practices in this sector
- ABAC welcomes strengthened dialogue and cooperation among regulatory authorities in the region and encourages information exchange between regulators and potential issuers

APEC Leaders should initiate capacity-building projects in member economies to facilitate the establishment and adoption of best practices in second board equity markets

IMPROVE ACCESS TO NEW OPPORTUNITIES THROUGH TECHNOLOGICAL PROGRESS

1) **Undertake E-Commerce Readiness Assessment Initiative**

ABAC believes that e-commerce presents a "digital opportunity" as well as a potential competitive challenge to APEC members. Therefore

- ABAC urges all APEC economies to undertake the E-Commerce Readiness Assessment Initiative in order to self-assess how well they are positioned to enjoy the benefits of the digital economy, and to cooperate with business to develop effective strategies to move forward based on relevant local circumstances
- An effective public private partnership is the key to making progress. ABAC urges APEC economies to share the results of their assessments and action through participation in regional and international fora

2) **Develop Action Plans for E-Commerce**

Building on the utility of the Individuals Action Plans,

- ABAC recommends that member economies draw from their experience of the Initiative as a basis to develop action plans to improve on e-commerce readiness and for inclusion in the proposed new IAP chapter on e-commerce
- The assessments can also form the basis for developing capacity-building programs targeted at securing technical assistance from multilateral development banks and bilateral donors to implement those action plans

ABAC recommends that APEC draw on the experiences of individual economies, the ongoing work in other for a particularly private sector groups, and the lessons learned from the Readiness Initiative to develop a Plan of Action to achieve a seamless e-commerce friendly environment in APEC that would benefit all members

3) **Implement "Government Online" as a Catalyst for E-Commerce**

ABAC urges APEC Leaders to stimulate the development of e-commerce within their economies by including a clear timetable for putting government services online in their action plans and will look for significant progress in this area. Steps can include the posting of government information, regulations, and compliance (licenses permits, forms, tariff schedules etc) online. Extending government services online into interactive services (e.g., applications for passports, licenses, permits, and filing tax returns) and government procurement can follow.

4) **Adopt a Regulatory Framework Conducive to the Development of E-Commerce**

One of the most obvious benefits of electronic commerce is the ability to access a global market. Hence, an international environment that shares a consistent and complementary framework in which the information society can flourish is critical for e-commerce. As a result,

- ABAC recommends that, at least at the current stage, APEC economies adopt a minimalist approach regulating e-commerce. The regulatory approach should be technology neutral and based on international norms
- ABAC stresses the interoperability of the infrastructure and regulatory frameworks and the need for international cooperation. ABAC recommends that these critical areas including digital signatures authentication and payment systems be based on standards driven by the private sector

An effective public-private sector partnership is central. Through ABAC, APEC should draw on the business outreach and technical expertise of regional and global groups such as Pacific Basin Economic Council, Pacific Economic Cooperation Council Global Business Dialogue on e-commerce and Global Information Infrastructure Commission to examine the legal and regulatory issues involved in the development of e-commerce policies that facilitate growth and access to the technology

5) **Harness the Internet for Human Resources Development**

ABAC recognizes the power of the Internet for developing human resources. In this regard"

- ABAC urges APEC member economies to take full advantage of Internet technology in their capacity-building efforts. APEC could as a project establish a central online repository for all resources that can be found on the Internet relating to APEC capacity-building initiatives so that economies can benefit from others' efforts and experiences

- ABAC recommends that APEC work with the private sector, educational institutions, and foundations to develop a Collective Action Plan to facilitate the use of and access to education and training opportunities delivered over the Internet. ABAC also recommends that, as a matter of institutional policy and where appropriate, Internet technology form an integral element of capacity-building projects developed in all APEC fora
- 6) Adopt a Science-Based Approach to Biotechnology. ABAC believes that for the full potential of agricultural biotechnology to be realized, further progress is needed in two areas
- First, the development of standards and procedures by national and international organizations for approving any food products for commercial use in order to ensure safety. This involves regulation which should focus on science-based risk assessment and on worldwide harmonization of standards.
 - Second, public awareness, understanding, and acceptance of biotechnology, taking into account consumers' concerns, thus providing them with better knowledge to choose.
- In this regard, ABAC recommends that APEC make a serious commitment to ensure community-wide understanding, exchange of information, policy, and regulation coordination, and objectively evaluating the risks and benefits of genetically-modified foods to our economies' futures

OUTREACH IS IMPORTANT

ABAC sees outreach as involving two dimensions. The first is substantive and concerns the relevance of the APEC agenda. ABAC believes that APEC's holistic approach of market liberalization underpinned by capacity-building passes the test of relevance. The second dimension has to do with how the message is communicated. In this regard, APEC needs to be more clearly articulated and better understood by a much larger part of our communities.

ABAC applauds APEC's increasing outreach to the business community in government to-business dialogues as well as private-public partnerships in capacity-building efforts.

APEC's future effectiveness requires that understanding of what APEC is about be extended beyond officialdom and the business community to society at large.



Asia-Pacific Economic Cooperation

2001/SOM1/026

Senior Officials' Meeting 1

**Business Participation in APEC Ministerial, Fora, Sub-
Fora and Working Group Levels**



**Senior Officials' Meeting 1
Beijing, People's Republic of China
12-13 February 2001**

BUSINESS PARTICIPATION IN APEC MINISTERIAL, FORA, SUB-FORA AND WORKING GROUP LEVELS

Note This paper was prepared by the APEC Secretariat and presented by the SOM Chair in 2000, Brunei Darussalam. This is recirculated to facilitate discussions on the subject of business participation.

There is considerable flexibility within APEC bodies with respect to the participation of the business and private sector in their activities. This has led to a variety of different approaches and models within APEC at all levels from the Ministerial to the working level. However, as this paper will show, business participation in APEC's work has been critical to ensuring that APEC stays focused on practical means of achieving two of its three key goals: trade and investment liberalization and facilitation, and business facilitation.

APEC Ministerial Meetings and Business Sector Participation

The majority of APEC Ministerial meetings include some participation from the business/private sector. The APEC Business Advisory Council (ABAC) and the Pacific Economic Cooperation Council (PECC) have traditionally played roles in APEC Ministerial meetings. This takes the form of either a formal dialogue between ministers and the private sector or delivery of a briefing of the Ministers by business representatives. However, the structure of these contacts ranges from formal dialogues to either ad hoc arrangements or no business representation at all.

Several Ministerial Meetings draw upon formal private sector organizations to ensure input from the business sector. For example, in 1995 the APEC Finance Ministers established the APEC Financiers Group, consisting of representatives of financial institutions from each APEC economy. The APEC Energy Ministers this year held a full day public and private sector dialogue and a separate dialogue with the Energy Working Group's Business Network. In addition to contacts with ABAC and PECC, other APEC Ministers meet with other business organizations. For example, APEC SME Ministers have institutionalized regular contacts at the meetings with the Young Entrepreneurs, the Women Leaders' Network, and The Business Forum.

In summary, there is no one model for business participation in APEC at the Ministerial Meeting level. However, there is a common pattern in that representatives from ABAC and PECC are well represented at these meetings. Only in the case of the Finance Ministers was a formal private sector organization established to provide APEC Ministers with business input. Fortunately, the existence of the APEC Financiers Group has not precluded opportunities for ABAC and PECC to have contact with the Ministers.

Business Participation in APEC at the Working Level

There is an even greater range to the mode of business participation in APEC below the Ministerial level. However, in certain cases, the private sector has participated at the working level for many years. For example, business representatives have participated in symposia of the Intellectual Property Rights Experts Group since 1996 and the PECC Fisheries Task Force has worked with the Fisheries Working Group since 1991.

There are five basic models to business participation in APEC at the working level:

- **Holding an Annual Dialogue with the Private Sector** This approach is used by the Infrastructure Workshop, the Sub-committee on Customs Procedures, among others. One variant on this approach is found in the Trade Promotion Working Group (WGTP). Since 1994, business

- **Strategic Vision** The private sector provides APEC with a broader, strategic vision of the future and how to provide a more prosperous world for the citizens of APEC economies. Through its Annual Report to APEC Economic Leaders, ABAC lays out precise, targeted recommendations aimed at improving the business environment in APEC. Recent recommendations have aimed at building capacity and infrastructure in APEC economies, promoting economic recovery and sustainable growth, and at liberalizing specific sectors such as food and air services, as well as laying the groundwork for electronic commerce. Other business organizations likewise provide valuable insights to APEC officials, from PECC and the CEO Summit to the EWG Business Network, numerous APEC dialogues with the private sector.
- **E-Commerce and the "New Economy"** Close coordination with business is essential for APEC in this area. With the rapid changes in technology in the new economy, officials would find it impossible to keep up with, much less develop any plans which help lay out the environment and framework which allows the new economy to operate successfully.
- **Socio-Economic Needs and Ecotech** The business ties with APEC have been essential in this area. It was ABAC that developed the idea of the APEC Food System, an approach which has the potential to improve the lot of many in rural areas. In addition, in most economies, SMEs are the backbone of economic development and provide the largest pool of employment. Helping SMEs also helps those who work in SMEs and the families that rely on those salaries. In the area of Ecotech, it is mainly businesses which develop and provide the technologies and expertise which must form the basis of APEC's Ecotech efforts.
- **Financial Assistance/Support to APEC Activities** On a more practical level, business sector participation in APEC provides APEC with resources it would not otherwise have access to. For example, the private sector partially funded the SCCP's 1998 APEC Customs Industry Dialogue in Kuala Lumpur. In addition, Federal Express continues to fund SCCP's APEC Tariff Database. FWG projects have had private sector participation or input into project design. Business has also co-sponsored a number of the MRCWG's workshops or conferences. Many of the TELWG seminars receive direct financial support. In effect, the APEC working level benefits not only from the private sector's expertise and advice but also from its willingness to provide the support needed to achieve APEC goals.
- **Sharing of Business Expertise between Developing and Developing Economies** APEC events which bring together business representatives from APEC economies also provide opportunities for these individuals to share ideas, expertise, and possibly even enter in business arrangements. These APEC-sponsored events create the potential for cooperation and information-sharing which can provide an adjunct to APEC's official ecotech efforts.

(Attachment: Attached to this paper is a matrix detailing the business participation in APEC process at the ministerial and working levels. The matrix was prepared by the APEC Secretariat in May 2000.)



12th Meeting of the APEC SME Working Group

Agenda item 3
Document No 3-2

Report by APEC Secretariat

**Small and Medium Enterprises
Working Group Meeting
Hong Kong, China
26 – 28 June 2001**

APEC SECRETARIAT REPORT
At the SMEWG Meeting on
26-28 June 2001 in Hong Kong, China

This report contains information on deliberations related to SMEs from Other APEC Sectoral Ministerial Meeting which were held after the SME Ministerial Meeting in Brunei Darussalam, June 2000 as well as information on activities related to SMEs in other APEC fora. The report also covers information on the ECOTECH Clearing House and the BizAPEC.com

Sectoral Ministerial Meetings (July 2000 – June 2001)

Meeting of Ministers Responsible for Trade (Darwin, Australia, June 6-7 2000 and Shanghai, the People's Republic of China, June 6-7, 2001)

Under the list of Agreed Actions from the Statement of The Chair of the Meeting, "the Ministers have welcomed Japan's proposals on strengthening Economic Legal Infrastructure in particular a symposium on this topic jointly organised with Australia and Indonesia and "Support for SMEs and New Business", a joint seminar by Japan and Brunei under the Initiatives for Strengthening Human Resources Development for Structural Reform, and that Ministers have requested that these initiatives be further developed and the outcomes reported back to the Ministerial and Leaders' Meeting in November "

Further in their 2001 Meeting in Shanghai, the Trade Ministers again, recognized the importance of strengthening the functioning of markets in dealing with the vicissitudes of regional and global economies and in pursuit of sustained economic development. In this regard, Ministers welcomed the progress made in implementing market strengthening initiatives, including the Cooperative Initiative on Regulatory Reform jointly organized with the OECD, the Cooperative Framework for Strengthening Economic Legal Infrastructure, and the Cooperation Program in the Area of SME and New Business Support. Ministers also took note of Chinese Taipei's proposal on the " Best Practices Guidelines for Entrepreneurship and Start-up Companies" Ministers further endorsed the Menu of Options on Institutional Capacity Building Corporate Law and Competition Policy and called for possible implementation.

First APEC Meeting on Ministers Responsible for Tourism, Seoul, Korea, 7 July 2000

The Ministers in the Seoul Declarations on APEC Tourism Charter, under the Policy Goals, Goal 3 Sustainably Manage Tourism Outcomes and Impacts, They in particular we will seek to achieve this goal by pursuing policies that foster ecologically sustainable development opportunities across the tourism sector, particularly for small and medium sized enterprises, employment and providing for open and sustainable tourism markets.

APEC High Level Meeting on Human Capacity Building, Beijing, China, May 15-16 2000

The Meeting emphasized that the challenges created by the new economy emerge at many levels. Businesses of all sizes from international corporations to micro-enterprises,

and family businesses must enhance their capabilities to participate in and take full advantage of the global economy. Individuals from their student days and throughout their working lives face the need to continually update their knowledge and skills as part of a life-long learning society.

In the "Opportunities for Further Work", the annex to the Beijing Initiative, under the ideas of "Integrating the Resources and Promoting the Overall Human Capacity Building", one of its items says: Develop relevant program to enhance entrepreneurial and management skills, particularly among small and medium enterprises to meet the new demands from globalization and the new economy.

Report on Activities of APEC Committees Related to SMEs

Under the CTI's **Sub-Committee on Standard and Conformance**, a project is being undertaken: *APEC Speakers' Bureau on Standards-Based Management Systems*. The project addresses various needs, including those to enhance competitiveness of SMEs in selected strategic globalizing industries, to update SME executives on recent trends on ISO 9000, ISO 14000 and change management, and to develop a corps of leaders who will work to enhance SME capacity on standards-based management. The project includes the following outputs: conduct of industry dialogues, experts/trainers workshops and symposia, as well as production and translation of the practitioner-oriented *Best and Next Practices Handbook*.

The **CTI's Investment Expert Group** is now developing a database on start-up companies and venture capital. Some of the basic issues involved now are defining the functions of the database and identifying the users of the database.

The **CTIS's Group of Business mobility** on the issue of specialist visas, it has agreed to circulate a paper to all economies in order to survey the processing of specialists in all economies. The Group will also develop a paper on recommended processing standards for specialists. In addition, the Chair will write the *Small and Medium Enterprises Working Group* and invite the SME to provide information on issues of concern to the SME in the context of the movement of specialists.

The **CTI's Government Procurement Expert Group** concluded that the APEC Non Binding Principles on Government Procurement could be supported and enhanced by the application of E-Commerce to procurement, provided this was consistent with the goals of openness and interoperability which APEC Ministers had espoused, and issues of SME uptake were addressed.

Within the scope of the **Economic Committee**, a new established e-APEC Task Force is writing a report entitled "e-APEC Building Digital Society". This report is about the New Economy and e-commerce and also gives due focus to SMEs.

Moving to the activities under the **SOM Sub-Committee for Economic and Technical Cooperation (ESC)**, its Group on Economic Infrastructure (GIE) is involved in a project called *Regional Integration for Sustainable Economies (RISE)*, which includes SMEs. RISE is a multi-sectoral public-private initiative aimed at stimulating growth in industrial and agricultural areas beyond the urban centers, enabling rural populations to participate

more fully in the global economy Further information on the projects in Jiangmen (China) and Manado-Bitung (Indonesia) can be obtained from the RISE website [http //www.riselink.net/](http://www.riselink.net/)

Report on Activities of APEC Working Groups

The Human Resources Development Working Group (HRDWG) is overseeing an APEC Forum on Cross-Cultural Understanding of Implementation of Standards and Accreditation in Supply Chain Management A Research and a Forum on best practices in the promotion of standards and accreditation through supply chain management The Project aims to contribute to greater trade volume through a common, cross cultural understanding of implementation of international management standards and accreditation in vertical supply chains of strategic industries (e.g electronics, toys) and in mediating industries which play a role in trade facilitation (e.g transportation, communications), thereby enhancing SMEs' competitiveness in the context of supply chain management

The HRDWG is also overseeing a fully self-funded project under the HRDWG's Capacity Building Network (CBN) which recently gathered representatives of member-countries to a two-day conference in Manila to share notes on their experiences-or lack of it-in SME (small and medium enterprise) development

Dubbed the **APEC Human Resources Development for Venture Business Project**, the conference focused on the need for government intervention in order to help small and medium enterprises grow

Under auspices of **Industrial Science and Technology Working Group (ISTWG)**, there are on three ongoing projects which have focus on SME

The first one is the **APEC Center for Technology Exchange and Training for Small and Medium Scale Enterprises (ACTETSME)**, which continuously providing relevant and accessible information to agencies mandated to promote and assist in the development of SMEs Economy sites of latest APEC's member economies (i.e Peru, Vietnam, Russia) of the ACTETSME page are still under construction

The second project of ISTWG which related to SMEs is **APEC Forum on Venture Capitals' Role in Science Parks and Business Incubators Project** The background of the project is that the contribution of VC to SMEs is widely recognized by APEC economies It's of great significance to exchange the successful experience of VC and to establish the appropriate operational mechanism for VC to promote the development of SMEs in Science Parks and Business Incubators among APEC economies

The ISTWG is also developing a project is **Greening of the Supply Chain** which categorizes as a good way to reach SMEs, has possibility to link with Green Business project, and has two concerns (1) the project should provide more opportunity for economies to participate, (2) the time scale for the action plan may be too short especially to achieve process change

Trade Promotion Working Group is now looking into the possibility of revamping their APECNet website to be user friendly for SMEs. The site contains information on the WGTP and its activities, and allows the business community to search for business opportunities (including business matching services) in member economies, by posting inquiries and accessing member economies' homepages. The revamping aims at providing internet matching services for SMEs.

Under the WGTP Activities Trade Skills and Training, the Group has completed a project on Training for Building Skill on Marketing Strategy. The final report on the training includes the recommendations on encouraging SMEs attendance at WGTP training programs.

The Group is soon to undertake a Seminar on Trade Promotion, which will be focussed on how TPOs can better serve business, particularly SMEs, in the e-commerce era, future direction of TPOs, crucial technologies and skills for e-TPOs, developing SME-friendly e-commerce services, developing appropriate e strategies for TPOs, and so on.

The WGTP has also had extensive discussion on member economies's effort in helping SMEs to Export, promoting SME development in terms of management and financing, technology, training, and internationalization, promoting policies targetted at aboriginal groups, SMEs, and women entrepreneurs.

The **Second APEC Tourism Forum** was held in Kuala Lumpur, Malaysia, on 6 April 2001. Under the theme "Building Marketing Partnerships in the APEC Region", 400 delegates representing the public and private sector participated in the presentation and analysis of issues that relate to tourism development in the Region, such as promotion and marketing of travel and tourism, joint promotional and marketing efforts as well as the enhancement of sustainable tourism products. Various tourism oriented SMEs benefited from the opportunities that arose through the exchange of information and experiences shared at the APEC Tourism Forum.

Furthermore, the **Tourism Working Group** is undertaking a Project titled "Application of Electronic Commerce to Small and Medium Tourism Enterprises in APEC Member Economies (SMTEs) during the current APEC Year. Upon its completion, this Project will allow SMTEs to develop strategies for the adequate use of e-commerce tools, boost on-line booking and have a clear picture of the attitudes that stakeholders in government and business have towards this new information tool.

In the **Fisheries Working Group**, there is a project "APEC Seafood Information System (APEC-SIS) has been completed its phase 1. The phase II will continue in 2001. This SIS (APEC-SIS COM) is an interactive Internet site that will provide real-time information focusing on, but not restricted to, fish and seafood marketing. Its principal clients will be those in private business involved with day-to day decisions dealing with production, trading and marketing of seafood. Special attention will be given to the needs of SME's.

The **Electronic Commerce Steering Group** has come up with an APEC-wide Action Plan to Support Use of Electronic Commerce by Small and Medium-sized Enterprises. The plan is intended to provide a framework for both actions by individual APEC economies and collective actions by APEC.

Under this action plan, APEC member economies will develop e-government strategies to optimize services to SMEs, share information between governments to support the adoption of best practices and pro-actively share information with SMEs on e-government initiatives. In terms of access to infrastructure, the action plan emphasizes an environment that fosters investment in e-business by both government and the private sector. In the key area of human resources development, the action plan will respond to the existing human resources deficit impeding the development of a knowledge-based economy and recognize the need for new tools and skills. The action plan emphasizes cooperation among both the private and public sectors.

The complete document of the an APEC-wide Action Plan to Support Use of Electronic Commerce by Small and Medium-sized Enterprises is attached as Annex 1

Biz APEC com

BizAPEC com is a new website, launched at the Ministerial Meeting Responsible for Trade, June 2000 in Darwin, Australia. The Website provides one-stop information for conducting business in the Asia-Pacific region. A presentation on how to use the website has been given during the SME Ministerial Meeting in June 2000, in Brunei Darussalam. The SME Ministers has instructed the SMEWG to consider contributing to the further development of this new website. SOM has also called APEC fora to promote the Website to a wider usage of the Website by business community.

APEC ECOTECH Clearing House

In November 2000, The Ministers Launched the ECOTECH Clearing House which has the purpose of enhancing information flows between people involved in economic and technical cooperation activity in the Asia-Pacific region.

The Clearing House provides a quick and easy way for people to access ECOTECH information from an authoritative APEC source. ECOTECH Clearing House information includes publications, projects, databases and websites.

A separate presentation on practical examples of using the Clearing House will follow the report.

**APEC-WIDE ACTION PLAN TO SUPPORT
USE OF ELECTRONIC COMMERCE
BY SMALL AND MEDIUM-SIZED ENTERPRISES**

INTRODUCTION

In September 1999 in Auckland, APEC Ministers directed officials to develop an APEC-wide plan to support the use of e-commerce by small and medium-sized enterprises (SMEs). This plan is in response to that request. In 2000, Brunei hosted the APEC SME Workshop on E-Commerce which was a major source for this plan. In addition, Japan hosted the Tokyo Convention on E-Commerce. This report also draws upon the work of the Telecommunications Working Group, in particular their survey of SMEs and e-commerce. In addition, work in other international fora related to SMEs and e-commerce provided source material.

The plan is intended to provide a framework for both actions by individual APEC economies and collective actions by APEC. APEC and its member economies already have a number of activities that directly or indirectly benefit and support the development of SME E-commerce. These activities are not identified in this plan since it is intended as framework, but are shown in a separate matrix.

SMEs represent an increasingly important dimension of the global economy. Particular efforts should be made in APEC to promote SME involvement in e-commerce to ensure that SMEs can take maximum advantage of the ability of telecommunications and information technologies to deliver cost efficiencies, quality control and competitiveness in manufacturing and service industries. E-commerce provides SMEs with lower market entry costs and the ability to extend geographic reach to a much larger market.

Four key action items have been identified as important for SMEs in APEC to adopt and utilize e-commerce as a business strategy for competitiveness. The action items are (1) government and business relations, (2) access to infrastructure, (3) trust and regulatory environment, and (4) human resources development. Under this action plan, APEC member economies will develop e-government strategies to optimize services to SMEs, share information between governments to support the adoption of best practices and proactively share information with SMEs on e-government initiatives. In terms of access to infrastructure, the action plan emphasizes an environment that fosters investment in e-business by both government and the private sector. In the key area of human resources development, the action plan will respond to the existing human resources deficit impeding the development of a knowledge-based economy and recognize the need for new tools and skills. The action plan emphasizes cooperation among both the private and public sectors.

I GOVERNMENT AND BUSINESS RELATIONS

Government plays a critical role in creating a favorable environment and promoting the use of e-commerce by SMEs. E-Government is an important mechanism for

promoting SME e-commerce in two ways (1) By placing government services and procurement online, it provides a means to introduce SMEs to use of e-commerce, (2) It provides a mechanism for delivering services and information to SMEs

- 1 APEC economies need to define SME e-commerce as a national and regional priority. Through promotion programs via the mass media, governments should work to change mindsets--that there is no alternative but for SMEs to band together on the path of e-commerce. Governments should serve as a facilitator of the path toward e-commerce through a national agenda for awareness building within each economy.
- 2 APEC economies should provide SMEs with information and education relevant to (1) accessing government services, information and procurement and (2) market entry opportunities provided by global e-commerce.
- 3 APEC economies to maximum extent possible should place government procurement online so as to allow SMEs to submit bids and proposals, complete transactions and have greater access to general procurement information. Ideally, all applicable government procurement tender notices should be accessible through one portal. Particular attention should be given to work in the APEC Government Procurement Experts Group (GPEG) which agreed at its September 2000 meeting to start a work program on e-government in 2001. The main objective will be to gather information and explore the scope for capacity-building activities which should also benefit SMEs.
- 4 APEC economies should directly or through their private sectors, provide information and training on online procurement to SMEs.
- 5 APEC fora should continue to support awareness raising and the dissemination of information and technical assistance needed by SMEs, including the sharing of success stories and consideration of standards issues.

To enhance coordination across APEC fora on all SME e-commerce related activities SOM should direct all appropriate working groups to participate in this action plan to ensure that activities and programs already underway are taken into account and brought into the process.

Business Government Cooperation

Governments need to work closely with business to effectively develop SME e-commerce. This requires the formation of business groups with APEC economies and across APEC that are dedicated to the development of SME use of e-commerce. In APEC economies and within APEC, there needs to be close cooperation in

development and execution of government programs to support SME e-commerce between governments and private business groups Within APEC, this is within the purview of the APEC Policy Level Group on Small and Medium Enterprises and the APEC E-commerce Steering Group

- 6 APEC economies should encourage the establishment of associations and domestic and international cooperation among them (Note, if these associations already exist, a comprehensive listing of them should be created for transparency) Business associations and organizations that are representative of SMEs can provide a valuable source of information to Government, information that is critical to the development of an enabling and competitive business environment They can become partners in the delivery of business development services and advocates for better policies and programs such as legal and tax information, business opportunities, trade fairs, trade statistics, local market reports, local business rules, government information, jobs, training programs, and logistics and transport
- 7 APEC economies should consult on a regular basis with SME organizations to assess progress and to develop new initiatives
- 8 APEC should consider compiling a regional assessment of the SME sector, an annual state of small business report This report should present information on the profile of the SME sector, its problems, constraints, opportunities and successes In addition, it should describe programs of support and the policy, legal and regulatory environment in which SMEs in APEC operate and develop One valuable way of measuring impact is by receiving feedback from SMEs

II HUMAN RESOURCES DEVELOPMENT

APEC has already recognized how important human resources are to success in the New Economy and electronic commerce Virtually all APEC economies, even the most advanced, suffer from shortages of workers with IT skills The problem can be even more severe for the emerging economies The problems of SMEs regardless of location can be especially acute SMEs must compete with larger firms to recruit people with information technology skills They may also not have the resources necessary to train their own staff with these skills In addition to shortages of workers with IT skills, managers of SMEs need to be educated in how to employ e-commerce and to operate effectively in the ANew Economy@ that is IT intensive For training resources that do exist, they are not always easily accessible or well known

Improve Education and Training for SMEs

- 9 APEC economies= business education systems need to be reviewed to ensure that they have sufficient emphasis on international business and the global marketplace
- 10 APEC should promote international standards within the region in education and training to facilitate common or cross-accreditation Public and private sector suppliers of training and education should be encouraged to adopt user-friendly and open skill standards
- 11 APEC should continue to encourage private sector/NGO initiatives for professional development

Existing Resources to support SMEs need to be more accessible within APEC

- 12 APEC economies individually and collectively should undertake in concert with the private sector and other groups identification of existing resources available to APEC SMEs
- 13 APEC should work to provide SMEs with easy access to a variety of training and education materials needed
- 14 APEC economies need to establish outreach programs and private sector groups at the grassroots level
- 15 APEC economies should cooperate to encourage SME e-commerce through community support and interest groups at the grassroots level in the various sectors
- 16 APEC economies should support public and private efforts to assist SMEs to evaluate the applicability of e-commerce and other IT strategies to their firms and their readiness to adopt such strategies
- 17 APEC should support nonprofit organizations that promote computer literacy and the sharing of e-commerce A large wide-scale effort needs to be undertaken to raise awareness and inform SMEs of the urgent necessity to address their own shortcomings with regard to the information society

THE PHYSICAL AND POLICY ENVIRONMENT

The development and growth of SME uptake of e-commerce depend not just on SME specific actions, but also important issues relating to physical infrastructures, services available to SMEs and legal and regulatory environments Thus, actions and policies oriented to these broader issues can have important impact on SME e-commerce

III ACCESS TO INFRASTRUCTURE

In order for SMEs to adopt and make use of e-commerce, SMEs require access to technologies. Also, an appropriate infrastructure needs to be in place. This includes physical infrastructure and Internet services. This infrastructure needs to be available at competitive prices. Expanded access to and reduced cost of the Internet along with the improvement of quality of service for SMEs depend heavily on attracting new investment and competition among businesses supplying both telecommunication services and Internet services.

- 18 APEC should continue to work toward open and competitive markets that will attract investment in telecommunications and Internet services and promote lower prices through competition.

III TRUST AND THE REGULATORY ENVIRONMENT

Creating trust is critical to the growth of SME e-commerce. Closely related is a regulatory environment that encourages entrepreneurship and risk taking by the private sector. A seamless and compatible legal and regulatory environment is key in promoting SME e-commerce. Differences in regulatory structures, especially those that are not technologically neutral, place a much higher burden on SMEs. E-commerce should not be burdened with new taxes or discriminatory tariffs. APEC already has extensive work programs to support many of the objectives.

To encourage the appropriate legal/regulatory climate for SME e-commerce across APEC

- 19 APEC should make the creation of a seamless legal/regulatory environment across APEC a priority by working with both private business representatives as well as representatives of consumer organizations. Existing efforts including the work programs on e-security, e-authentication and consumer protection should be strongly supported.
- 20 APEC economies should adopt or incorporate the relevant portions of the UNCITRAL Model Law for e-commerce.
- 21 APEC should encourage maximum transparency in laws and regulations by enhancing existing efforts ongoing exchange of information on existing and proposed laws and regulations affecting SME e-commerce in the region.
- 22 APEC should promote the appropriate use of self-regulatory approaches such as Alternative Dispute Resolutions, seal programs, code of conduct, etc. and should

support information sharing to promote compatible approaches
**An essential characteristic of e-commerce and the New Economy has been the
innovations and entrepreneurship of SMEs To foster this**

- 23 APEC economies need to minimize regulations and restrictions which discourage investments and entrepreneurship
- 24 APEC economies should adopt effective intellectual property rights protection to encourage innovation and investment by SMEs



12th Meeting of the APEC SME Working Group

Agenda item 6
Document No 6-1

Implementation of the Framework for the Integration of Women
in APEC by SMEWG

**Small and Medium Enterprises
Working Group Meeting
Hong Kong, China
26 – 28 June 2001**

**Implementation of the Framework for the
Integration of Women in APEC
By SMEWG
(Prepared by APEC Secretariat)**

BACKGROUND

In September 1999, APEC Leaders endorsed the *Framework for the Integration of Women in APEC*. In their Declaration, they stated that “the *Framework* is a significant step to enhance the ability of women to contribute to and benefit from prosperity of the region. Meanwhile, one day prior to the Leaders’ Meeting, the Ministers stated that the *Framework* is a first step in addressing continuing impediments to the full participation of women in regional economic activity and looked forward to have the first report of the implementation of the *Framework*.”

The *Framework* for the Integration of Women in APEC is a practical and systematic approach to guide APEC in the achievement of the integration of women in the mainstream of APEC processes and activities.

The implementation of the *Framework* is the responsibility of all APEC fora and of all women and men involved in APEC processes, policies, projects and activities including Leaders, Ministers, Senior Officials, Chairs, Lead Shepherds and the APEC Secretariat. The *Framework* may also be applied at the individual economy level.

In October 1999 the SOM established the SOM Ad Hoc Advisory Group on Gender Integration (AGGI). The role of AGGI is to provide gender advice and expertise to SOM, and other APEC fora on the implementation of the *Framework*. The AGGI would also complement the responsibility and accountability of individual APEC fora for the implementation of the *Framework*.

REPORT ON SMEWG EFFORTS ON THE IMPLEMENTATION OF THE FRAMEWORK

The 7th APEC Small and Medium Enterprise (SME) Ministerial Meeting, June 2000, in Brunei “acknowledged that the *Framework for the Integration of Women in APEC* is the effective means for integrating women into the work processes of APEC. They directed the PLGSME to take steps to implement the *Framework* and report on the progress to Leaders in their November meeting in Bandar Seri Begawan. Ministers also welcomed Korea’s appointment as the Gender Focal Point for the PLGSME.” (Joint Ministerial Statement, Paragraph 7)

In its meeting in Lima, Peru, March 2000, the Group has appointed Korea as the SMEWG gender focal point, answering the call from the AGGI. The Gender Focal Point has a role as

- Acting as a communication point between SMEWG and AGGI,
- Ensuring that gender issues are incorporated and maintained on SMEWG’s agenda, and
- Keeping AGGI informed of any gender developments in SMEWG

In the Meeting in Bandar Seri Begawan, Brunei Darussalam, in June 2000, the Group had a Gender Information Session (GIS) The GIS had objective as

- to develop capacity within APEC fora to apply elements of the Framework gender analysis, the collection of sex-diaggregated data and the involvement of women
- to develop a better understanding among members of APEC fora of a gender analysis and why it is an important tool for improved policy and project outcomes

Following the instruction of the Leaders and Ministers that all APEC fora has to report through SOM on the implementation of the *Framework*, The Group has provided its report to the APEC Secretariat which then was compiled with other fora's report and presented to SOM, Ministers and Leaders

The Group has also contributed to one AGGI's project on the compilation of best practices, by submitting a report of SME project Study on Women Entrepreneurs in SME's in the APEC region

POINTS FOR DISCUSSION *site suggestions*

✓ The Group is to agree on

- to integrate gender perspective into the work program by working closely and getting advise with the AGGI,
- to develop projects related to women,
- to call economies to encourage more participation of women in project activities,
- to prepare disaggregated lists of participants for SMEWG and SME ministerial meetings ,
- to take stock of WLN recommendations to past SME Ministerial Meetings and assess its implementation,
- to ensure that gender issues are addressed by SME Ministerial Meetings,
- to report to SOM through the AGGI on the progress report on the Implementation of the *Framework*



12th Meeting of the APEC SME Working Group

Agenda item 7.2
Document No. 7.2-1

Electronic Commerce Impact Study for SMEs
(Chinese Taipei)

**Small and Medium Enterprises
Working Group Meeting
Hong Kong, China
26 – 28 June 2001**

EVALUATION REPORT ON APEC PROJECTS

BASIC INFORMATION

Date of report 12/30

Name and number of project APEC #00 SM-01 1, Electronic Commerce’s Impact Study for SMEs

Brief description of project outputs (number of participants at workshop, number of economies covered by survey, and deliverables, where applicable)

The project is comprised 10 researchers and has executed the research work in five economies The research result is the final report as submitted

LESSONS LEARNED AND/OR FURTHER WORK

Originally planned completion date of project 12/30

Actual completion date of project 12/30

APEC projects are assessed by four categories of criteria (Please refer to the "Criteria for Assessment of APEC Projects") Has the project met the following as originally planned (Please tick either box and comment where appropriate)

If yes, please explain how If not, please explain why

	If yes, please explain how	If not
APEC Values	Yes, it provides guidance for SMEs in APEC economy in adopting e-Commerce to improve their competitive advantage	
Project Design	Yes, it includes on-site interviews and mail survey towards SMEs	
Dissemination of Project Results	Yes, it should be helpful to SMEs	
Budget	Reasonable	

Did the project meet the needs of the targeted beneficiaries, identify direct and indirect beneficiaries and to member economies and any follow-up?

Yes, the project has produced results as expected The direct beneficiaries are the SMEs of APEC economy It can be the important references for SMEs to form the e-Commerce application strategies and to improve the productivity of APEC members

The indirect beneficiary is to enhance the freedom and the prosperity of the economy in APEC area

To what extent the project has reached the targeted clientele, any assessment of client satisfaction in terms of accessibility, competence of service delivery, usefulness of information and contribution to trade facilitation and business performance?

The project is mainly to enhance the total competitiveness of SMEs in APEC members and to propose an agenda to resolve the shortage and the bottleneck for the current e-Commerce application. In addition, the on-site interview conducted in each economy promotes the understanding of the current status for SMEs. Other events include focus group discussions and the mail survey for e-commerce application leading to suggestion of policy instruments for promoting e-commerce. Therefore, this project's contribution lies in studying the influence of e-Commerce to SMEs from different angles.

Does the project complement or overlap with the work of others, was the project the most cost-effective in achieving the targeted goals, has the Committee/Working Group clearly defined and agreed upon targeted clients, the impacts to be achieved and the means of achieving them?

This project complements with the work of another APEC project, Electronic Commerce in APEC Economies, which is focused upon electronic parts procurement by SME. By comparison, this project takes a broader perspective towards e-Commerce activities by SME. Besides, the allocation of the task and the expenses are all suitable to accomplish the goal of this project and produce the expected effect.

How will the project especially for database projects maintain sustainable benefits over the longer term?

The project has conducted the on-site interviews of SMEs and the analysis of e-Commerce infrastructure in APEC economy. Based on the research results, the project proposes the respective suggestions for the economies in the initial-stage, the middle-stage and the advanced stage of e-Commerce application regarding the promotion programme of the e-Commerce application.

Overall, has the project achieved its intended results in terms of beneficial effects in member economies? (Please circle one)

Yes

Are there any lessons learned and/or future work arising from this project? If so please describe them briefly.

The research results indicated that e-Commerce development in each economy is closely tied to its traits of industry. We therefore suggest the authority to conduct the advanced research of SMEs by different industry in each economies of APEC.

The Small Group comments

Lead Shepherds/Chairs comments

Secretariat comments

Issued by the APEC Secretariat

July 1998



12th Meeting of the APEC SME Working Group

Agenda item 7.2
Document No. 7.2-4

2000 APEC SME & New Business Support Workshop
(Japan)

**Small and Medium Enterprises
Working Group Meeting
Hong Kong, China
26 – 28 June 2001**

Final Report of APEC SME Project

Title of Project	<i>"2000 APEC SME and New Business Support Workshop"</i>
Economy	Japan
Project started	April 1 2000
Duration	March 31 2001
Fund	Own Fund US\$325,350 (US\$1=¥120)
Project Overseer	1) Shigeyuki UCHIBA Assistant Director International Affairs Office Small and Medium Enterprise Agency METI Kasumigaseki 1 3 1 Chiyoda ku Tokyo 100 8912 Japan E-mail uchiba-shigeyuki@meti.go.jp Tel +81-3-3501 9093 / Fax +81 3 3501 7805 2) Akira OSAWA Director, International Collaboration Div International Affairs & Research Dept Japan Small and Medium Enterprise Corporation (JASMEC) Toranomon 3-5-1 Minato ku Tokyo 105 8453 Japan E-mail ao1460@jasmec.go.jp Tel +81-3-5470-1571 / Fax + 81 3 5470 1527

1 Objective

The APEC economies share the expertise and knowledge to establish the means to carry out the SME and New Business Support and are deepening discussions related to Policy Frameworks on SME and new business support that contributes to the strengthening of market functions (main themes 1 Management and Technology Development, 2 Funding Environment 3 Business Matching) to develop positive new business support policies and directions for mutual cooperation among APEC economies

2 Project Outline

- 1) Organizers Brunei Darussalam Ministry of Economy Trade and Industry (METI) Small and Medium Enterprise Agency METI Japan Small and Medium Enterprise Corporation (JASMEC)
- 2) Participants 44 Representatives from ministries responsible for SMEs policy and related implementing organizations in APEC economy were invited
2 participants attended

Australia / Brunei Darussalam / Canada / P R China / Hong Kong China / Indonesia / Republic of Korea / Malaysia / New Zealand / Papua New Guinea / Peru / Philippines / Russia Federation / Singapore / Chinese Taipei / Thailand / Vietnam

3) Date & Venue September 5 - 8 2000 in Tokyo Japan

4) Main Program

Presentation on Japan's Efforts for APEC SMEs

- Introducing Japan's policies related to SME and new business support Management and Technology development and Funding Environment

Report from Chinese Taipei on APEC Seminar Securing Initial Equity Funding for Start up Companies – The Birth and Growth of SMEs in a knowledge based Economy

Presentation of the Economic Planning Agency on Public Policies Fostering Entrepreneurship Economic Committee's Project on APEC Economies beyond the Asian Crisis

Presentations on the present conditions problems best practices countermeasures and other areas of interest for SMEs and new business in the APEC economies

<Business Management> Australia Peru

<Technology Development> Indonesia Singapore The Republic of the Philippines

<Funding Environment> Hong Kong The republic of Korea Chinese Taipei

<Business Matching> Japan Thailand

- Discussions on the desirable style of SME and new business policies based on previous research and the presentations given by each economy and on the future cooperation among the economies and on what APEC SMEs can do The coordinators for each discussion were Japan (Management and Technology Development and Business Matching) and Chinese Taipei (Business Environment)

Field Study to Tokyo Institute for Small Business Management and Technology JASMEC and to Kanagawa Science Park (KSP)

5) Conclusion of the workshop Refer to the attached paper

6) Supplement with follow up activities

As one of the practical schemes of Japan's APEC Project Evolving Corporation Initiative for SME and New Business Support which has the fostering of SME human resources and assistance for SME technology development as its themes SME experts were sent to Peru The Philippines Indonesia and Brunei to advise local people

7) Others

Advance Surveys

Advance surveys were carried out on the current conditions of each economy and the possibility of mutual cooperation within APEC in 1 Management and Technology Development 2 Funding Environment and 3 Business Matching as they relate to SME and new business support

- APEC Workshop implemented by Chinese Taipei

As an extension of this workshop a four day workshop was held in Chinese Taipei

From September 11th to 14th in which seven of the participants in this workshop took part These included one representative each from JASMEC and the Japan Finance Corporation for Small Business from Japan

Conclusion of the "2000 APEC SME and New Business Support Workshop"

Brunei Darussalam
Ministry of International Trade and Industry
Small and Medium Enterprise Agency MITI
Japan Small and Medium Enterprise Corporation

September 8, 2000

- 1 The 2000 APEC SME and New Business Support Workshop was held from 5- 8 September 2000, with 44 participants (including three from the private sector) from 18 economies. This workshop represented the beginning of implementation of the Evolving Cooperation Initiative on SME and New Business Development (2000/SME/12)(See Annex A), which was endorsed at the Seventh APEC SME Ministerial Meeting, as a concrete means of realizing the Strengthening Markets approach, a new pillar of APEC activities, which was adopted last year.
- 2 The workshop focused on three prioritized areas: 'Management and Technological Development,' 'Funding Environment for SMEs and New Business Support,' and 'Business Matching,' and consisted primarily of presentations, field studies, and group discussion.
- 3 Based on the survey prior to the workshop, and during presentations and discussion, many requests and possible assistance were put forward by participating economies for SME and new business support. (Detailed information in table form on these requests and possible assistance can be found in the attached Annex B) The focus of these requests was mainly for information sharing and capacity building, especially through websites, and for the dispatch of experts. The requests included:
 - (3.1) Management and technological development
 - HRD
 - Strengthening of the management base
 - Institutional support
 - Methods of monitoring and evaluating policy measures
 - (3.2) Funding environment for SMEs and new business support
 - Government funding*
 - Venture capital
 - Developing the IPO market
 - * Suggestions were made from the experienced economies that funds should also be managed sustainably and effectively.
 - (3.3) Business matching

- 4 Responding to these requests, some economies offered possible assistance in areas such as
- (4 1) Management and technological development
 - Dispatch of experts (Japan, Korea)
 - Management Development Centre (Hong Kong, China)
 - Establishment and management of incubator centers (Chinese Taipei)
 - Utilization of the facilities of the APEC Center for Technology Exchange and Training for Small and Medium Enterprises (ACTETSME) (The Philippines)
 - Sharing experiences and expertise (Australia Canada)
 - (4 2) Funding environment for SMEs and new business support
 - Holding workshop (Chinese Taipei)
 - Supplying information requested on venture capital (Japan)
 - Supplying information requested on the Growth Enterprise Market (GEM) Board (Hong Kong China)
 - Supplying information requested on tax policy systems relevant to SMEs (Australia)
 - (4 3) Business matching
 - Enhancing SME business networks by Business Matching and Advice Program (Japan)
 - Holding Conference/Workshop on Supply Chain Management (Thailand)
- 5 Participants also discussed the policy issues to be addressed, in particular concerning funding human resources, and regulations Participants realized that when tackling such issues, a diversified approach is required due to the differences in the stages of SME development and approaches to SME policies of member economies Participants reached a consensus on the importance of deepening and strengthening cooperation to address these issues The participants would like to make the following requests to the relevant APEC body as the next step in evolving cooperation
- (5 1) Each economy was requested to further elaborate requests and possible assistance by the end of September this year with due attention being paid to the discussion that took place at this workshop
 - (5 2) It was also requested that each economy's requests and preparedness for possible assistance be compiled into a cooperation program that will be endorsed by the PLGSME inter-sessionary The participants requested that the cooperation program be reported to the Leaders & Ministerial Meetings in November this year The PLGSME is requested to start implementing the cooperation program and report the results of the implementation to the workshop next year
 - (5 3) The participants requested the PLGSME to consider utilizing websites such as the ACTETSME website or BizAPEC com to allow for more effective SME information sharing



12th Meeting of the APEC SME Working Group

Agenda item 8
Document No 8-1

Creation of Business Website to Develop Innovative Cooperation
Between APEC Member Economies
(Russia)

**Small and Medium Enterprises
Working Group Meeting
Hong Kong, China
26 – 28 June 2001**

FACESHEET

(Tick one) Projects seeking APEC funding Progress Report
Evaluation Report

(Tick one) Operational Account TILF Special Account

Project Number (to be filled in by Secretariat)	Date received by Secretariat	Late / not late [] []
Name of Committee/Working Group The SME Working Group (SMEWG)		
Title of Project Creation of a business website to develop innovative cooperation between APEC member economies		
Proposing APEC Member Russian Federation		
Co-sponsoring APEC Member(s)		
Project Overseer Name, Title and Organization (M/F) Mr Andrey Tsyganov, Deputy Minister, Ministry of the Russian Federation for Antimonopoly Policy and Entrepreneurship Support		
Postal Address 11, Sadovaya- Kudrinskaya str , 123808, Moscow, Russian Federation	Tel No 095-254-7400 Fax No 095-254-7521 E-mail ilgizyanbukhtin@yahoo com	
Financial Information	Total Cost of Proposal (US\$) 115000	Amount being sought from APEC Central Fund (US\$) 95000
Type of Project <input type="checkbox"/> seminar/symposium <input type="checkbox"/> short-term training course, <input type="checkbox"/> survey or analysis and research <input checked="" type="checkbox"/> database/website		<input type="checkbox"/> others (please specify)

Project Start Date January 1, 2002	Project End Date December 31, 2002
Project Purpose <p>The project purpose is to render information assistance to innovative entrepreneurship development in APEC member economies through collection and permanent updating of relevant information conducting of surveys administering databases on innovative technologies projects, products and services within APEC region The project meets the requirements of information revolution which in its turn brings many opportunities and threats for innovative SMEs This innovative website will help small innovative businesses overcome information barriers, establish new business contacts and implement innovative business projects</p>	
Signature of Project Overseer 	Date March 29, 2001
Signature of SMEWG Chair	Date

Format for Projects Seeking APEC Funding

A PROJECT DESIGN

PROJECT

01 Name of project

Creation of a business website to develop innovative cooperation between APEC member economies

02 Name of the working group or committee taking responsibility for the project and the dissemination of its results

The SME Working Group (SMEWG)

OBJECTIVES

03 The objectives/justification of the project

The project purpose is to render information assistance to innovative entrepreneurship development in APEC member economies through collection and permanent updating of relevant information conducting of surveys administering databases on innovative technologies, projects, products and services within APEC region The project meets the requirements of information revolution which in its turn brings many opportunities and threats for innovative SMEs

Innovations are one of the major forces driving the development of APEC economy The revolution in information and communication technology is dramatically boosting the development of a global economy It carries with it unprecedented opportunities in a new style of economy with new forms of markets, higher levels of productivity and new demands for knowledge, entrepreneurship and innovation The

Leaders and Ministers have in various occasions stressed the importance of strengthening and encouraging innovative processes within APEC region. Our vision is to prepare each of our economies and all of our people to use the technology revolution as a passport to the fruits of globalisation” (‘Creating New Opportunities’ from APEC ECONOMIC LEADERS DECLARATION’, Bandar Seri Begawan Brunei Darussalam, November 16, 2000)

Directives of APEC Economic Leaders of November 16, 2000 in Bandar Seri Begawan, Brunei Darussalam outline APEC Action Agenda for the new Economy including ‘Create an environment for strengthening of market structures and institutions , ‘Building human capacity and entrepreneurial development”, “Importance of Knowledge” It welcomes the APEC report on Knowledge-Based Economy which focuses on the issues of business environment, innovation systems, human resource development and information and communication technology ‘as valuable inputs in charting APEC’s future work in the new economy and urge APEC Ministers to continue work on preparations of detailed plans for implementation of the recommendations contained in the report

The project ‘Creation of a business website to develop innovative cooperation between APEC member economies’ fully corresponds to the priorities outlined in APEC Economic Leaders Declaration of November 16, 2000 and Joint Ministerial Statement and Agreed Actions of the APEC Small and Medium Enterprise (SME) Seventh Ministerial Meeting of June 22-23 2000 in Bandar Seri Begawan, Brunei Darussalam (“In view of the rapidly changing business environment as a result of economic globalization and ICT development, Ministers urged SMEs to embrace innovative and creative approaches to enhance efficiency and competitiveness (‘ Conclusion))

Innovative small enterprises face numerous challenges in terms of their interaction and provision of a feedback because of deficit of sufficient information concerning technologies, projects and partners in APEC countries. There are various barriers (language, regulatory and supervisory frameworks etc) impeding cooperation. At the same time APEC member economies have a great innovative potential. APEC

member economies and particularly Russia have a considerable number of innovative projects to be commercialized in the future

In cognizance of the Internet as a powerful vehicle to disseminate information about innovations in APEC, the innovative website will serve as a primary and helpful mechanism to mainstream innovative development in APEC. This website will help overcome information barriers, establish new business contacts and implement innovative business projects in the interests of APEC members. It will serve as a tool to institutionalize innovative cooperation in APEC, exchange policy viewpoints, technical know-how and share good practices on innovative cooperation. The website will also provide an inter-active forum to implement innovative cooperation within APEC community.

There is a fair amount of information on innovations and innovative SMEs which is available, and which can be assembled cost effectively – it is a matter of bringing it together in one place so that we can all see the bigger picture more accurately. At present it is extremely difficult for officials and business representatives to get an accurate “big picture” of the role of innovative SMEs in the emerging APEC wide economy.

In the short term, results will be measured through the number of visitors/users filled out interactive forms, facilitated interaction (comments and responses). In the long term, being a support mechanism to implement the innovative cooperation within APEC region, the effectiveness of the project may be gauged by assessing the skills/knowledge of and utilization by the APEC fora of innovations analysis in fora projects, collection and use of data on innovative projects and technologies.

The creation of a website dedicated to the goals of innovative cooperation in APEC is a most appropriate tool for implementing the innovative cooperation within APEC region. This website, as indicated above, will serve as one of the centers which the APEC fora may go or refer to for assistance and information on innovative development in their work. As it will likewise serve as a cost effective forum for the APEC innovative experts and focal persons may address various concerns raised by users/clients of the website. Additionally, the interactive aspect of the website will

provide online training to the users/clients on the various components to be contained

Efforts will be made to establish links with other sites where pertinent data may be found, as well as related websites of the APEC fora, APEC member economies and other international organizations Russian federal agencies (30%), NGOs (30%) and other commercial structures (40%) will pay for the website s maintenance after the first year

04 How, briefly, this project responds to the priorities set by APEC Leaders and Ministers, as evidenced by parts of the APEC Action Agenda including Action Program, work plan, vision statement and policy statement that relate to this project

APEC Leaders and Ministers have emphasized in various occasions the importance of innovative business sector participation in APEC events (“APEC ECONOMIC LEADERS’ DECLARATION” of November 16, 2000) This project, in response to the above calls from Leaders and Ministers, promotes small entrepreneurship development in APEC members economies commercialization and technologies’ transfer, information technologies development, harmonizing of legislation in terms of innovative international cooperation

05 How briefly this project contributes to APEC Trade and Investment Liberalization and Facilitation

The project aims at contributing to liberalization and facilitating trade and investments through development of information exchange international cooperation and implementation of innovative projects It will also provide a more efficient platform for APEC venture investors to network and do business with each other in terms of opening of the Russian innovative marketplace and bringing together Russian SME innovative technologies and venture investors It will help Russian researchers and innovative SMEs in getting access to venture capital It is therefore relevant to APEC Trade and Investment Liberalization and Facilitation agenda The innovative website will make possible for the affected APEC organizations to get

more adequate information on various innovative, hi tech products and services facilitating trade and stimulating liberalization

LINKAGES

06 The kinds of institutions in member economies intended to benefit from the results of the project Highlight the direct benefits to the institutions, the types of businesses in member economies that will benefit from the results of the project and what the direct benefits are

The following institutions in member economies will benefit from the results of the project

- Entrepreneurs, representatives of small and medium businesses,
- Governmental SME support structures
- Researchers and new technologies inventors
- Business associations

Direct benefits will include greater chance for networking and doing business with potential investors in APEC member economies and better access to the information about member economies' innovative projects. The businesses and individuals even in traditional sectors can also benefit from the project as the use of new innovative technologies becomes more widespread within each economy and throughout the APEC region.

The project will help create a state-of-the-art informational interactive channel for APEC entrepreneurs to obtain all necessary information and links. It will unify separate databases making them available for APEC entrepreneurs so it will encourage them to establish new business contacts.

07 How the participation of the business/private sector and non-governmental institutions has been sought or will be sought. Illustrate how the business/private sector are involved in the planning and delivery of the project and whether APEC for a have been consulted

The innovative website's project will call for broad participation from APEC business community. A co-performer from each APEC member will be identified to be responsible for search and provision of information for this website. The MAP has already conducted consultations with entrepreneurs, governmental and non-governmental organizations (Chambers of Commerce, Business Incubators, Agencies for SME support etc.) supporting small and medium businesses to expose their needs and demands in terms of provision of business information including innovations.

08 How this project will add "APEC value" (as to the potential benefits of implementing projects) in the context of other work that might have been done elsewhere in the same field

Although similar promotion efforts in this area are made elsewhere in the world, this innovative website's project contributes to the implementation of other APEC projects aimed at promoting small and medium businesses, developing human resources and information technologies. The project presents a unique opportunity for investors and innovative businesses throughout Asia-Pacific region to get together to network and do business with each other. Consistent with this uniqueness, this project will add "APEC value" in the sense of that all participants of the project will be APEC business people and their participation will ultimately contribute to the expansion of both innovative and investment flows in Asia-Pacific region.

09 An indication of how the project might contribute to related projects or activities in APEC or elsewhere

Taking into consideration the comprehensive status of this project it can contribute to the other Internet projects supporting business innovative cooperation within APEC region such as BIZAPEC and ACTETSME. Unlike the mentioned projects it will primarily focus on the Russian innovative marketplace which is not well explored so far and respectively help create more powerful search engine for APEC innovative SMEs adding new links and databases. At the same time the website will not be national oriented only. It's no secret that bringing together Russian hi tech innovative

technologies and qualified venture investors from the other APEC member economies is the task of great importance and potential

It will also have a positive impact on the existing project “Information server for small and medium business in Russia and Newly Independent States (NIS)” The official NIS website for small business support – www.smb-support.org – was created within the framework of this project

10 Describe the deliverables of the project and demonstrate how it will meet the needs of the targeted beneficiaries

At present there are no specialized intergovernmental websites dedicated to innovative entrepreneurship and cooperation within APEC region Existing Internet resources are inadequate in terms of APEC members’ innovative potential especially in Russia Thus creation of a website will help develop innovative cooperation between APEC member economies through provision of topical information on a wide range of innovative issues within APEC region

The main target audience segments are

- APEC Ministers and senior Officials responsible for SMEs and innovative development,
- The business groups responsible for SMEs and innovations (Chambers of Commerce, Business Incubators, Agencies for SME support)
- General public and researchers

The project will also allow

- Entrepreneurs to obtain information concerning potential partners and investors and acquire appropriate international experience
- Researchers and developers to present their products and development types and exchange experience,

METHODOLOGY

11 A concise description of the project's methodology

Russia will be the project's coordinator. Every APEC member economy will select a co-performer to be responsible for collecting, updating and delivering information to the MAP. This website will be included in related links of other APEC official websites. It will be in English as an official APEC language. Anyway APEC members will have the opportunity to translate separate parts of a website into their official languages.

Russia will also play a coordinating role in survey on commodity circulation between APEC member economies, export import entrepreneurial preferences, administrative barriers impeding foreign trade relations. This work will be conducted in close collaboration with the other APEC co-performers.

The project will consist of 8 stages.

Stage 1 - Formation of a website's structure which will include

- Information and legal base relating to entrepreneurial activities in APEC member economies,
- News from governmental and non-governmental SME support structures (funds, agencies etc.)
- Links to homepages of various international companies running foreign trade within APEC region and specialized websites supporting entrepreneurial development,
- New information technologies and business solutions for SMEs
- Contact information on APEC's SME support infrastructure
- E-commerce (e companies and e shops),
- Investments – investors, investment projects, regions, environment,
- Commercialization and innovative technologies transfer
- Miscellaneous (leisure, hotels, museums, culture)

Stage 2 – Conducting of surveys

Surveys on commodity circulation between APEC member economies, export-import entrepreneurial preferences administrative barriers impeding foreign trade relations Surveys will be conducted through expert polls including entrepreneurs running foreign trade in their regions heads of Chambers of Commerce representatives of public service structures, embassies, trade missions and with the help of Internet conferences focused on a one specific topic These surveys will help formulate database requirements

Stage 3 – Development of databases

Surveys will allow us to develop and form databases

Stage 4 – Development of a website's design

The criteria will be based on a) a website's search must be convenient and clear b) a website must correspond to the principal browsers

Stage 5 – Creation of a website's prototype

A website's prototype will be presented to experts and entrepreneurs

Stage 6 – Official presentation

Stage 7 – Promotion of a website

Information and advertisement relating to an innovative website will be put on Internet (all search engines, APEC's SME support structures websites and APEC Secretariat homepage) There will be paper publications as well

Stage 8 – Launching and updating of a website

Updating will be carried out three times a week on the basis of information obtained from the project's co-performers governmental non-governmental and entrepreneurial structures

12 A timeline for circulation and submission of this project proposal with drafts circulated well in advance to fora to allow careful consideration

Submission of the draft version – March 29, 2001

Dissemination of the draft version to SMEWG members – March 30 April 2 2001

Submission of the modified version – April 14, 2001

Deadline for submission of SMEWG projects – April 15, 2001

Discussion and evaluation of the project at the 1st SMEWG meeting – June 26-27 2001

13 A timetable for the accomplishment of project

#	Activities	Date of implementation
1	Formation of a website's structure	January-March
2	Conducting of surveys	February May
3	Development of databases	February-May
4	Development of a website's design	April
5	Creation of a website s prototype	May
6	Presentation of a website	June
7	Promotion of website	June-September
8	Launching and updating of a website	September December

14 The number of APEC member economies that will participate in this project

All member economies are encouraged to participate in this innovative website s project

BUDGET

15 An itemized budget for the project, including provision for any publication and dissemination of project results, in the prescribed format

See attached form

16 A timetable for the drawdown of APEC funding requested for the project

Drawdown of APEC funding will be requested after the successful completion of the project

17 Details of any request for waiver or exception from the normal APEC financial rules with justifications

No

DISSEMINATION OF PROJECT OUTPUT

18 A plan for the publication and dissemination of the results of the project

The host economy will hold necessary news briefings to inform APEC business community of this event. A final report will be prepared and disseminated through paper publications, APEC Internet resources, CD ROMs to a broad range of business support institutions, business associations, entrepreneurs, policy makers and investors.

The main target audience segments are

- APEC Ministers and Senior Officials responsible for SMEs and innovative development
- The business groups responsible for SMEs,
- Press,
- General public and researchers

ASSESSMENT OF PROJECT

18 With reference to your objectives stated in paragraph 3, provide detailed criteria) quantitative and qualitative) for how you will measure your results in the short and long term to know if your project has been successful State your current benchmarks for measurement, your target results from the project for each measurement criterion and the range of acceptable results both in numerical and percentage terms, where possible

a) Effectiveness of the project may be evaluated using as indicators

- Number of hits per day from the users including attempt, log in registration,
- Number of forms in the website filled out by clients/users (evaluation forms and interactive forms filled out on innovative technologies)

b) Adherence to deadlines, production of outputs specified in the proposal

There will be a registration system, and the sex of the users shall be established From this exercise, a certain degree of differentiation on the requirements of the users, i e male/female may be ascertained The interactive forms on innovations and technologies transfer will assist APEC in the promotion of the innovative development within APEC region Ideas on innovative development gained from best practices will be posted on the website User participation/involvement in the website components will serve as an indication of the project effectiveness

GENDER CRITERIA FOR FORMULATION AND EVALUATION OF PROJECT

Objectives

- 1 This innovative website will contribute to women's participation in economic development of APEC member economies by inviting them to present their success stories Women involved in business will benefit from the results of this event The project will also facilitate further implementation of the Framework for

the Integration of Women in APEC The website will serve as a support mechanism or a tool that will assist in the institutionalization of gender in APEC

Linkages

- 2 A special topic on women s involvement in innovative process will be proposed within a website's structure Governmental and non-governmental organizations, academe, women s networks will be encouraged to contribute and/or visit the website

Methodology

- 3 The equitable women participation in this project will be provided by
 - participating in a decision making process
 - involvement in project implementation,
 - inviting business women to present their success stories
- 4 Women involved in business will get a valuable information on perspective trend in innovative and investment flows within APEC region

Dissemination of project output

- 5 Women are one of the targeted audiences The plan takes into consideration women with low access to electronic media The results of this project will be disseminated to women s organizations and business associations

Project Decision Making

- 6 Two key members of the decision making process are Mrs I Osokina Deputy Minister of Industry, Science and Technology of the Russian Federation and Mrs L Davydova Deputy Head of the MAP Department for International Relations

Assessment of project

- 7 Correspondence of this project to APEC gender criteria could be assessed by project proponent through dissemination and publications of project outcomes and report to the CTI meeting

B UNDERTAKING BY THE WORKING GROUP/COMMITTEE

The SMEWG undertake that, working closely with the APEC Secretariat, due care has been taken that

- 1 The line items for the APEC-funded parts of the budget for this project are within SOM-approved guidelines
- 2 The costs for line items for APEC-funded parts of the budget of this project are justifiable

and with regard to the dissemination of results from the project, due care will be taken that

- 1 Comprehensive quality control and professional editing, including factual precision and thoroughness, to ensure that the publication or other dissemination media will be understood by and useful/beneficial to the target audience, will be undertaken before submission of the publication to the printer or the APEC secretariat
- 2 Any output will be consistent with APEC s publication by my Working Group before it is submitted to the Budget and Administrative Committee (BAC) for review

SIGNATURE

APEC SMEWG CHAIR

DATE AND PLACE



12th Meeting of the APEC SME Working Group

Agenda item 10
Document No 10-1

Information Paper on the Proposed Direction for
the 8th APEC SME Ministerial Meeting

**Small and Medium Enterprises
Working Group Meeting
Hong Kong, China
26 – 28 June 2001**

✓ **Information Paper on the Proposed Direction for
The 8th APEC SME Ministerial Meeting**
(Shanghai, 29-30 August, 2001)

Innovation and Environment for SME Development

Recognizing the greater challenges that SMEs will face in the new century, it is vital to further enhance SMEs' efficiency and competitiveness in an increasingly globalised and knowledge-based economy. As the host of the 8th APEC SME Ministerial Meeting in August 2001, the People's Republic of China is proposing that APEC work on SMEs should focus on **Innovation and Environment for SME Development**. Markets need favorable policies that would advance trade facilitation and liberalization, and at the same time ensure sustainable development and harness the diversity of member economies for common prosperity. Similarly, SMEs need innovative dynamism and favorable environment to continuously play a significant role in the economic growth of APEC members. To support this process, it is proposed that the 8th APEC SME Ministerial Meeting be build on the issues agreed in the 7th APEC SME Ministerial Meeting in Bandar Seri Begawan and focus on

three areas

- Advancing Technological Innovation,
- Facilitating Financing, and
- Improving Environment for SME Development

In the spirit of consultation and consensus building, the People's Republic of China presents its suggested agenda for consideration by member economies. The agenda being proposed is considered vital to APEC's vision of "A Dynamic and Prosperous Asia-Pacific Region Built on Dynamic and Innovative SMEs."

Proposed Agenda Focus

- ✓ **1 Advancing Technological Innovation** Strengthening competitiveness of APEC SMEs in the New Economy

Technology and its sharing have been designated as one of the Five Priorities in the APEC agenda. The 7th SME Ministerial Meeting in Bandar Seri Begawan urged APEC SMEs to embrace innovative and creative approaches and meet new challenges in the new century. APEC leaders in the 2000 Summit declared that "Our vision is to prepare each of our economies and all of our people to use the technology revolution as a passport to the fruits of globalisation." Responding to these, two

initiatives are being proposed

1) Creation of an APEC Networking of technology cooperation for SMEs

SMEs have become a prominent powerhouse of technology innovation. It's a top priority for APEC economies to enhance exchange and cooperation ties of SMEs in the technology sector to boost the technology upgrading of APEC SMEs

- Facilitating the development and dissemination of new and high techs
- Promoting the adoption of applicable and advanced technologies in the development of traditional industries

2) Formation of a networking for APEC SMEs to facilitate the exchange of R&D and technology services

It is suggested that an information network platform be set up to facilitate the technology sharing and the commercialization of technology fruits within APEC economies. Developed economies are encouraged to grant guidance and assistance to developing ones in technology upgrading.

2 Facilitating Financing Making financial and capital markets more accessible to SMEs

Financing is a constant concern of SMEs. The 7th SME Ministerial

Meeting held last year addressed the issue and directed the member economies to take concrete actions to establish an APEC database to disseminate information on start-up companies and venture capital, which is now underway in cooperation with Investment Expert Group (IEG) Facilitating financing will be a long-lasting issue, the following agenda are being proposed

1) Facilitating the cultivation of capital markets catering to SMEs

Some APEC member economies have established and opened Secondary Boards catering to the specific needs of SMEs Coordination should be intensified with APEC Finance Ministerial Meeting as well as other related APEC fora in regard to venture capital, equity funds and IPOs, etc Member Economies should further open their Secondary Boards to other APEC Economies and lower down the thresholds for SMEs accession

2) Further consolidating and extending the indirect financing for SMEs

APEC member economies are encouraged to take active steps to map out Individual Action Plan (IAP) and expand communication ties The measures adopted should be oriented towards the consolidation and further improvement of ~~SMEs credit guarantee system~~ as well as the formation of SME credit system More convenient access to funds should be the ultimate pursuit

3) The writing and publication of basic standards concerning SMEs management

The ministers in Bandar Seri Begawan have called on member economies to enhance the managerial skills and capacity building of SMEs to enable them to gain better access to financial and capital markets. A new and complete set of standards concerning the management and personnel training should be worked out based on the past experiences and best practices to provide a model for APEC SMEs.

3 Improving Environment for SME Development Developing an efficient environment for APEC SMEs in human resources development (HRD), information and communication technology (ICT) and policy frameworks, etc

Responding to the needs of APEC SMEs, the ministers during last year's SME Ministerial Meeting agreed that the PLGSME (SMEWG now) should also look into policy issues. And the ministers called on member economies to place greater emphasis on the development of infrastructure concerning ICT and capacity building measures relating to HRD. Guided by these calls, the following agenda are being proposed for consideration:

1) Further improving the dialogue mechanism between SMEMM, SMEWG and Private Sector

The more active involvement of Private Sector in APEC SME

activities has been raised in the Ministerial Meeting last year. The member economies are directed to create more favorable environment for SMEs development and to map out policies in tune with demand of SMEs. Hence, it's an imperative to construct a mechanism for Private Sector's effective participation in APEC activities.

2) Creation of SMEs infonet

Information networks catering to SMEs have been widely available in APEC member economies. However, they are mostly independently operated without adequate collaboration. Therefore, it will be far more efficient if the scattered networks could be interwoven into one integrated information pivot through efforts of APEC Secretariat and Member Economies, thus well enabling APEC SMEs to share the information available online. And this should become the driving force of infrastructure construction of ICT among member economies. APEC SMEs is sure to benefit handsomely from the availability of ICT. APEC SMEs could well harness the network to form strategic alliances, looking for offshore business opportunities and matching cross-border trading, thus achieving common prosperity through participation and cooperation.

3) The construction of HRD networking

Ministers agreed that member economies could consider opening up some domestic training programs to member economies on a voluntary basis and to include a list of trainers that are available to conduct training.

across the APEC region. It is suggested that SMEWG establish closer working relations with HRDWG in promoting the development and elevation of SMEs in the APEC region. The interaction between the two will surely exert some beneficial results. It is also suggested that HRD networking be formed to well enable member economies to join hands in HRD.

4) Propelling actively the implementation of SPAN

Since the endorsement of SPAN in Malaysia, 1998, APEC member economies have been enthusiastically executing and promoting the initiatives of SPAN. It will celebrate its 5th anniversary next year and member economies are recommended to submit a comprehensive working report to SMEWG on a voluntary basis. Towards that end, member economies are recommended to make leaps ahead in the following years contributing more efforts to the implementation of SPAN. It is suggested that APEC members continue to work to perfect their respective SME-related policies and services, and to solve the problems arise in the process of SMEs development in accordance with SPAN suggestions.

Concluding Remarks

As in previous APEC SME Ministerial Meetings, the 8th SME Ministerial Meeting will continue to address issues that bring tangible benefits to

SMEs Its initiatives will be guided by the Bogor goals on Trade and Investment Liberalization and Facilitation, the Manila Framework on Economic and Technical Cooperation and Directives of APEC Economic Leaders in 2000 It is expected to have more involvement from private sector, and jointly with relevant APEC Fora, to make significant progress in promoting the development of SMEs and to support the development of the New Economy