



**Asia-Pacific
Economic Cooperation**

附件九

2013/SOM3/023
Agenda Item: 2

Second Economic Committee Meeting - Chair's Summary Report

Purpose: Consideration
Submitted by: EC Chair

**Third Senior Officials' Meeting
Medan, Indonesia
5-6 July 2013**

APEC Economic Committee Second Plenary Meeting
June 29-30, 2013, Medan, Indonesia
Chair: Mr. Raymond Greene, United States

Chair's Welcome

The Chair opened the meeting by welcoming Economic Committee (EC) members, and outlining the agenda for the next two days.

Attendance

Approximately 60 people attended the meeting representing 19 economies (Australia; Brunei Darussalam; Chile; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; United States; and Viet Nam). The APEC Secretariat, Convenor of the Competition Policy and Law Group (CPLG), CTI Chair, HRDWG Lead Shepherd, APEC Business Advisory Council (ABAC), the Policy Support Unit (PSU), ADB, IMF and the Pacific Economic Cooperation Council (PECC) were also represented.

Adoption of the EC2 Plenary Agenda

The meeting agenda (document no. 2013/SOM3/EC/001) was adopted without amendment.

Updates from the CPLG and FoTCs

Competition Policy Law Group (CPLG)

CPLG Convenor, Mr. Tzu-Shun Hu (Chinese Taipei), updated the EC on the main activities of the CPLG (document no. 2013/SOM3/EC/003). The CPLG has revised its Terms of Reference to enhance the group's transparency and to further define the role of the CPLG Convenor. Chinese Taipei will conduct a survey to seek feedback from member economies on the Competition Policy and Law Database. The CPLG held a roundtable discussion with the OECD and ICN to discuss best practices on international enforcement cooperation and the role of competition policy in FTAs. The CPLG plans to hold an APEC capacity building seminar in Taipei this September on combatting anti-competitive practices in order to assist members in promoting competition policy.

FoTC on Competition Policy

Ms. Tina Smith (Australia) reported on the progress made by the Competition Policy FoTC (document no. 2013/SOM3/EC/004). Australia's Productivity Commission is conducting a twinning program to support structural reform efforts – four developing APEC economies have been hosted in Australia for approximately five weeks each. During these visits, officials are able to familiarize themselves with how the Australian Productivity Commission, a government advisory body, facilitates better policy making through analysis.

FoTC on Corporate Law and Governance (CLG)

Mr. Nguyen Anh Duong (Viet Nam) reported on current proposals in the area of corporate law and governance (document no. 2013/SOM3/EC/005). The CLG FoTC is considering ways to help SMEs implement corporate law and governance, a workshop on using public-private partnerships for infrastructure development and e-corporate governance. Chinese Taipei reported to the EC members on the outcome of its workshop "Lessons Learned from the Financial Crisis for Corporate Governance and Law." Experts and participants discussed how financial regulators could protect minority shareholders and ensure company boards can address risk management.

FoTC on Ease of Doing Business (EoDB)

Mr. Christopher Clement (United States), the FoTC Coordinator, presented progress towards the EoDB target of 25 percent region-wide improvement by 2015. Mr. Carlos Kuriyama of PSU presented an interim assessment of APEC's EoDB (document no. 2013/SOM3/EC/006) which found that despite

having achieved a collective improvement rate of 11.5% in 2012, there is room for improvement across the APEC region. An intensity in efforts by member economies will be needed to ensure more uniform progress towards APEC's 2015 EoDB goal, particularly in priority areas of trading across borders and enforcing contracts. Korea outlined the findings of its recent diagnostic trips to Brunei Darussalam and Viet Nam to advance the enforcement of contracts (document no. 2013/SOM3/EC/008). Japan reported on its workshop "Getting Credit in Indonesia" (document no. 2013/SOM3/EC/009 and document no. 2013/SOM3/EC/010). Hong Kong informed the EC members about its workshop "Simplified Authentication Process for the Production of Public Documents Abroad through the Use of the Hague Apostille Convention." EC members noted that APEC-wide adoption of the Hague Apostille Convention would have a significant impact on the EoDB, reinforce institutional connectivity, and contribute to APEC's wider objective of trade and investment liberalization.

FoTC on Public Sector Governance (PSG)

Director Tsai-Tsu Su (Chinese Taipei) presented the PSG Work Plan (document no. 2013/SOM3/EC/011), outlining the FoTC's five areas of focus: strengthening public administration, improving the quality of public service, leveraging ICTs to strengthen public sector governance, enhancing fiscal transparency, and strengthening trust, integrity, and ethics. The FoTC has organized policy discussions on the margins of EC2 on International Public Sector Accounting Standards (IPSAS) and Bureaucratic Reform. With respect to the IPSAS, the EC members noted that the adoption of accrual basis accounting standards as advocated by the IPSAS would significantly increase government accountability and reassure credit rating agencies. Regarding the Policy Discussion on Bureaucratic Reform, members discussed their experiences in conducting bureaucratic reform and addressed challenges. They noted the importance of bureaucratic reform to enhance the competitiveness of an economy.

FoTC on Regulatory Reform (RR)

Mr. Atsushi Tanizawa (Japan) briefed the EC members of the FoTC's Work Plan and efforts to promote regulatory reform in APEC (document no. 2013/SOM3/EC/012). The FoTC announced plans to conduct case studies on "Promoting innovation" and "Improving the Business Environment for SMEs" in 2014 and 2015 respectively. Through a series of self-assessments, checklists and self-review, the RR FoTC is working to provide member economies with tools to help implement the APEC Leaders' Growth Strategy and ANSSR.

Policy Discussion: Case Studies on Green Investments

The Regulatory Reform FoTC conducted a policy discussion based on its March 2013 report on green investments case studies. The dialogue featured presentations from Dr. Tilak Doshi of the Energy Studies Institute of the University of Singapore (document no. 2013/SOM3/EC/015), Mr. Carlos Kuriyama of the APEC Policy Support Unit (document no. 2013/SOM3/EC/016 and document no. 2013/SOM3/EC/16anx1), and Mr. Takayuki Kawamura (Japan). The case studies provided an overview of lessons learned and best practices of green investments within the context of regulatory reform, as well as the political implications of such investments.

APEC New Strategy for Structural Reform (ANSSR)

Mid-term Progress Report of Individual Economies' ANSSR Plan

Russia presented the EC with an update on its implementation of the ANSSR mid-term progress report (document no. 2013/SOM3/EC/018). Russia will compile the ANSSR mid-term progress reports from the individual economies and, with Australia and the United States, will prepare an executive summary to present to Leaders in Bali, October 2013.

Report on Ongoing ANSSR Projects

Viet Nam reported to EC members on its Capacity Building Program to Improve the Appraisal of Public Investment Projects, and Malaysia presented the EC with a Phase-1 interim report "Enhancing the Quality and Relevance of Technical and Vocational Education and Training (TVET) for Current and Future Industry Needs" (document no. 2013/SOM3/EC/020). Chile updated the EC on its workshop on the structural reform strategies of implementing one-stop-shop models.

APEC Economic Policy Report (AEPR) Planning Session

AEPR 2013 on Public Sector Governance (Promoting Fiscal Transparency and Public Accountability)

The EC annually publishes an AEPR to communicate its policy findings and insights from the Committee's structural reform work program. AEPR 2013 focuses on Promoting Fiscal Transparency and Public Accountability. Chinese Taipei and Indonesia, co-lead economies of the AEPR 2013, updated the EC on the 2013 AEPR (document 2013/SOM3/EC/021 and document no. 2013/SOM3/EC/022). To date 16 economies have submitted IERs and an initial AEPR draft has been completed by Chinese Taipei and Indonesia. The report will have three main parts: Introduction and an overview on APEC's progress on promoting fiscal transparency and public accountability; Key elements of fiscal transparency and public accountability; and Individual Economy Reports (IERs). Chinese Taipei and the EC Chair urged members to submit any updates or comments on the IERs by July 16. A printed Executive Summary will be presented to the AELM, but the complete report to be published online.

AEPR 2014

Members discussed GRP as the focus for AEPR 2014, including lead economies and structure of the report. The EC Chair told members that he would consult on these issues with China, next year's host economy, in the coming weeks. The EC agreed that Japan, as the FOTC lead on regulatory reform, would also be involved in taking this work forward.

AEPR 2015

The EC Chair solicited ideas from the EC members for possible topics for AEPR 2015. Vietnam suggested a report that would address some component of ANSSR, which is scheduled to come to a close in 2015. New Zealand also suggested that a theme under the competition policy heading could be considered or that the two suggestions might be combined. The issue of the AEPR 2015 topic will be raised again at EC1 next year.

Overview of Activities across APEC Fora

APEC Business Advisory Council (ABAC)

Mr. David Dodwell updated the EC of ABAC's activities since EC1 in Jakarta (document no 2013/SOM3/EC/023). ABAC met in Singapore this April and discussed numerous topics including: pathways to FTAAP such as TPP, RCEP and the Pacific Alliance; support of holistic and coordinated approach to improving connectivity; and a research project on impediments to FDI. ABAC will hold its third meeting in Kyoto, Japan on 8-11 July.

Committee on Trade and Investment (CTI)

Mr. John Larkin, Chair of the CTI, outlined key priorities in advancing the APEC agenda and encouraged collaboration between the CTI and EC in the area of GRP and ANSSR where the Committees share overlapping objectives.

Human Resources Development Working Group (HRDWG)

Prof. YoungHwan Kim, Lead Shepherd of HRDWG, briefed the EC on the key outcomes from the recent HRDWG meeting and its Public Private Partnership (PPP) Pilot Forum. The HRDWG plans to draft a concept note for holding an annual seminar in the North Sumatra area for capacity building of young entrepreneurs. In addition, the HRDWG already submitted a concept note, titled "Vitalizing Economy and Trade Investment through Education and Public Private Partnership (PPP) in HRDWG, EC and CTI" and will send its full proposal to EC members for their comments and support.

Good Regulatory Practices (GRP)

The EC reaffirmed support for continued work on Good Regulatory Practices (GRP), including as a focus for the 2014 AEPR and through capacity building activities on GRP. EC members anticipated

receiving direction from SOMs, Ministers, and Leaders on carrying forward the GRP agenda outlined in the 2011 Leaders' Declaration. Some economies expressed a desire for clearer delineation of roles among various APEC sub-fora involved in the GRP work. EC members noted that the EC is well positioned to lead future APEC work on GRPs given its long-standing focus on regulatory reform. At the same time, the EC noted the importance of its closer collaboration with the CTI and SCSC to ensure that the EC's GRP work reinforces APEC's core mission of eliminating traditional and non-traditional barriers to trade and investment.

Regarding ongoing GRP projects, Mexico briefed the EC on the findings of its first of three workshops on "The Development and Implementation of Methodologies to Improve the Quality of Regulations and Regulatory Impact Assessments for Enhancing Market Openness to Ensure Transparency and Promote Economic Growth." Eight member economies attended the workshop in April in Mexico City. The workshop highlighted the importance of evaluating regulatory impacts to determine the cost and benefits of regulations. During the workshop Mexico also compiled a list of the various RIA methods applied by the participants' economies, so as to identify common practices and lessons learned. The next workshop is scheduled in August. The EC Chair recommended that all member economies attend future workshops.

Russia reported on its work to create a web portal that would serve as a resource of good regulatory practices, as suggested at the EC meeting in Kazan.

Policy Discussion: State of the Regional Economy: Navigating Towards Sustainable Growth in a Changing Landscape.

EC members took part in a policy discussion on the global economy and how the on-going external forces could impact regional economic development. Mr. Benedict Bingham of the IMF discussed the global outlook, noting that regulatory and infrastructure bottlenecks, weak capital markets, and structural reforms threaten to impede growth in emerging markets. Mr. Arief Ramayandi of ADB said on the regional economy that developing Asia's growth was picking up, but that economies will need to focus on education in order to avoid the middle income trap. Quynh Le of the PSU said that emerging and developing markets were expected to be the engine for global growth. APEC Secretariat Executive Director Dr. Alan Bollard discussed short-term economic challenges arising from market volatility, and a longer-term issue of rebalancing of the world economy. In terms of the implications for the EC, he noted the need for focus on a new balance between markets and regulation, structural reform in "middle income" sectors, the role of local authorities and capacity building to address these challenges. Japan and other EC members stressed the importance of the linkage between regular policy dialogues on regional economic trends and the effective management of the EC's work plan.

Updates from the APEC Secretariat

PD presented a project management update on the funds available, approval process and on the current state of EC Concept Note submissions. PD updated EC members of the APEC Secretariat on Key Developments Report (document no. 2013/SOM3/EC/033). Mr. Denis Hew, Director of the Policy Support Unit (PSU) provided an overview of PSU's ongoing projects as of June 2013 (document no. 2013/SOM3/EC/034).

Report on the BMC-led Pilot Evaluation of APEC Projects

Franck Wiebe of the APEC Technical Assistance and Training Facility (TATF) explained to EC members the objectives and methodology for evaluating EC projects (document no. 2013/SOM3/EC/035). One of TATF's recommendations was that EC projects be directly linked to a well-defined capacity gap.

Review of the Economic Committee's Terms of Establishment

There were no changes made to the EC's Terms of Establishment, which are to be reviewed every two years (document no. 2013/SOM3/EC/036). The next review will be conducted in 2015.

EC Chair and Vice Chair Elections

The EC Chair asked that members consult with their governments inter-sessionally to consider possible candidates for the EC Chair and Vice Chairs. Mr. Nguyen Anh Duong (Viet Nam) (document no. 2013/SOM3/EC/039) and Ms. Cheryl H.J. Tseng (Chinese Taipei) (document no. 2013/SOM3/EC/037) expressed their interest in the Vice Chair positions.

Classification of Documents – the document classification list was approved.

Chair's Closing Remarks

The Chair thanked Indonesia for its hospitality and the participants of the EC for their efforts and support. He noted that the discussion on the state of the world economy underscored the importance of the EC's work to facilitate structural reform through ANSSR, AEPR, EoDB and GRP. The Chair noted EC endorsement of wider participation in the Hague Apostille Convention and adherence to International Public Sector Accounting Standards (IPSAS). He emphasized the need for closer coordination among other APEC fora on GRPs, infrastructure, green investments, and public-private partnerships. The Chair expressed concern about the wide gaps in EoDB progress, and encouraged champion economies to focus capacity building efforts on those economies that are struggling to meet their EoDB targets. The Chair also encouraged economies to consider options for sharing individual-economy ANSSR capacity building outcomes with the broader membership, pointing to Chile's upcoming workshop on government-to-people connectivity as a useful model.