



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/000

Agenda Item: 18(a)

Document Classification List

Purpose: Consideration

Submitted by: APEC Secretariat



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

Document Classification List

Document No.	Title	Agenda Item	Submitted By	Public Release		Reason for Restriction	Derestriction Date (where applicable)
				Yes	No		
2017/SOM3/ECSSG/000	Document Classification List – 36 th Electronic Commerce Steering Group Meeting 2017	18(a)	APEC Secretariat		√	Internal document	
2017/SOM3/ECSSG/001	Draft Agenda – 36 th Electronic Commerce Steering Group Meeting 2017	2	ECSSG Chair	√			
2017/SOM3/ECSSG/002	Summary Report of the 35 th Electronic Commerce Steering Group Meeting	3	APEC Secretariat		√		
2017/SOM3/ECSSG/003	APEC Committee on Trade and Investment Sub-Fora Contributions	5	CTI Chair	√			
2017/SOM3/ECSSG/004	Lima Declaration Action Plan 2017-2020	6	ECSSG Chair		√		
2017/SOM3/ECSSG/005	Annex A: Lima Declaration on Free Trade Area of the Asia-Pacific (FTAAP)	6	ECSSG Chair	√			
2017/SOM3/ECSSG/006	APEC Secretariat Updates	7	APEC Secretariat	√			
2017/SOM3/ECSSG/007	Governance Improvements for a More Effective APEC	7	APEC Secretariat	√			
2017/SOM3/ECSSG/008	Priorities for the APEC Electronic Commerce Steering Group 2017-2020 Strategic Plan	10(a)	APEC Secretariat	√			
2017/SOM3/ECSSG/009	Modernizing the Electronic Commerce Steering Group	10(b)	United States		√		
2017/SOM3/ECSSG/010	Proposals from the Russian Federation on the Future of the Electronic Commerce Steering Group (ECSSG) of the APEC Forum, Based on the Analysis of Its 2009 Terms of Reference	10(c)	Russia		√		
2017/SOM3/ECSSG/011	APEC Secondary Use Project – Update Report August 2017	11(a)(iii)	United States	√			
2017/SOM3/ECSSG/012	Approved APEC Project Proposal: Seminar on Capacity Building for Compliance with Cross-Border Privacy Rules System in APEC	11(a)(v)	APEC Secretariat	√			
2017/SOM3/ECSSG/013	IDEAS Show @ APEC Innovation	11(a)(vi)	Chinese Taipei	√			
2017/SOM3/ECSSG/014	Concept Note: Public-Private Dialogue on Existing and Emerging Issues Related to E-Commerce and Digital Economy	11(b)(i)	Peru		√		
2017/SOM3/ECSSG/015	APEC Cross-Border E-Commerce Facilitation Framework	12	Viet Nam	√			
2017/SOM3/ECSSG/016	Legal Experts Workshop on E-Commerce	12	Japan	√			
2017/SOM3/ECSSG/017	Work Undertaken by APEC in Support of the Boracay Action Agenda to Globalize MSMEs for 2017	13	Philippines	√			

Document No.	Title	Agenda Item	Submitted By	Public Release		Reason for Restriction	Derestriction Date (where applicable)
				Yes	No		
2017/SOM3/ECSCG/018	APEC E-Commerce Business Alliance Secretariat Report	14	APEC ECBA	√			
2017/SOM3/ECSCG/019	Global Data-Flow Facilitation	15(a)(i)	Japan		√	Non-paper	
2017/SOM3/ECSCG/020	APEC Services Competitiveness Roadmap (ASCR) Baseline Indicators	16	PSU, APEC Secretariat		√		



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/001

Agenda Item: 2

Draft Agenda

Purpose: Consideration
Submitted by: ECSG Chair



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

THE 36th APEC ELECTRONIC COMMERCE STEERING GROUP MEETING (ECSG)

DRAFT AGENDA
9:00-6:00pm, 23 August 2017
Rex, Lotus B

AGENDA #1. INTRODUCTORY REMARKS BY THE ECSG CHAIR

The ECSG Chair will welcome Members, Observers and Guests, and make introductory remarks.

AGENDA #2. ADOPTION OF THE AGENDA

The ECSG Chair will invite comments and request the ECSG Meeting to adopt the agenda.

AGENDA #3. ADOPTION OF 35TH ECSG MEETING REPORT

The ECSG Chair will invite the ECSG Meeting to endorse the report of the ECSG Meeting held on 25 February 2017 in Nha Trang, Viet Nam.

AGENDA #4. SELECTION OF ECSG CHAIR

The Meeting will endorse the nomination of the ECSG Chair for a two-year term from SOM1, 2018 to SOM3, 2019.

AGENDA #5. BRIEFING BY CTI CHAIR ON COLLABORATION BETWEEN CTI AND CTI SUBFORA [1030-1050hrs]

The CTI Chair would brief the Meeting and discuss areas of collaboration between the CTI and the ECSG.

AGENDA #6. LIMA DECLARATION ACTION PLAN [1050-1110hrs]

The ECSG Chair will lead a discussion on the Lima Declaration Action Plan to scope the role and inputs from the ECSG.

AGENDA #7. REPORT ON APEC DEVELOPMENTS

The APEC Secretariat will provide an update on APEC developments relevant to the ECSG, and an update on APEC project management to the ECSG.

AGENDA #8. REPORT FROM DATA PRIVACY SUB-GROUP

The ECSG Chair will invite the Chair of the ECSG-DPS to submit his report for the information and consideration of the ECSG meeting.

AGENDA #9. REPORT ON DEVELOPMENTS IN EU DATA PROTECTION AND E-COMMERCE POLICY

The ECSG Chair will invite the small working group to brief the meeting on ECSG's continued engagement of the EU.

AGENDA #10. DEVELOPING THE ECSG STRATEGIC PLAN

- (a) *The ECSG Chair will invite updates from the intersessional discussions on the joint proposal (2017/SOM1/ECSG/029) last discussed at the 35th ECSG meeting on 25 February 2017.*
- (b) *The ECSG will discuss the United States' proposal at the CTI on Modernizing the ECSG.*
- (c) *Russia will share the proposal from the on the future of the Electronic Commerce Steering Group (ECSG) of the Asia-Pacific Economic Cooperation (APEC) Forum, based on the analysis of its 2009 Terms of Reference.*

AGENDA #11. PROJECT PROPOSALS

(a) Update on Completed/Ongoing Projects

The ECSG Chair will invite the respective member economies to update the meeting of the following ongoing and completed projects.

Ongoing Projects

- (i) Promote Cross-Border E-Trade under the Framework of Regional Trade Agreements (RTAs) / Free Trade Agreements (FTAs) – Based on Best Practices in the APEC Region, **China**
- (ii) Enhance MSME's Capacity for Inclusive Development by Cross border E-commerce adoption, **Viet Nam**
- (iii) Cross-Fora Collaboration in APEC on the Use of Big Data in Medical Research, **United States**
- (iv) Progress Update of Korea-Chinese Taipei Electronic Certificate of Origin (e-C/O) Project, **Korea or Chinese Taipei**
- (v) Capacity Building for Compliance with Cross-Border Privacy Rules System in APEC, **Chinese Taipei**

Completed Project

- (vi) IDEAS Show @ APEC Innovation, **Chinese Taipei**

(b) New Projects or Activities

The ECSG Chair will invite member economies to submit project proposals or activities.

- (i) Public- Private Dialogue (PPD) on Existing and Emerging Issues related to E-Commerce and Digital Economy, **Peru**

AGENDA #12. FRAMEWORK ON CROSS BORDER E-COMMERCE FACILITATION, VIET NAM

Viet Nam will provide an update on the approval process of the Framework to be submitted for endorsement at the AMM.

AGENDA #13. ANNUAL STOCKTAKE OF THE BORACAY ACTION AGENDA TO GLOBALIZE MSMEs (BAA)

The Philippines will brief the meeting on the annual stocktake of the BAA.

AGENDA #14. UPDATE FROM APEC E-COMMERCE BUSINESS ALLIANCE (ECBA)

The ECSG Chair will invite APEC ECBA to provide an update on its activities and developments.

AGENDA #15. INFORMATION SHARING ON ELECTRONIC COMMERCE ISSUES

The ECSG Chair will invite guests and members who would like to submit voluntary reports to the ECSG for information.

Members and Guest Organizations to submit intention to update the ECSG of developments to the ECSG Chair (Shannon.Coe@trade.gov), copying the APEC Secretariat (ky15@apcc.org) latest by 18 Aug 2017, please.

(a) Member Economies

- (i) Brief of Conceptual Paper on Global Data Facilitation, Japan
- (ii) Brief Report on Russian Information and Analysis Platform on Digital Economy, Russia

(b) Guest Organizations

- (i) Update from World Trustmark Alliance (WTA)

AGENDA #16. APEC Services Competitiveness Roadmap (ASCR) Baseline Indicators

The APEC Policy Support Unit will update the meeting on the development of the ASCR Baseline Indicators

AGENDA #17. Other Business

(a) Report to CTI

The ECSG Chair will inform the meeting that an ECSG-Convenor's report, based on the discussions at the meeting will be prepared for submission to the CTI.

AGENDA #18. Conclusion and Next Meeting

(a) Document access

The APEC Secretariat will present the document classification list for the endorsement of the ECSG.

(b) Dates and venues for next meeting

The host of the next ECSG meeting will brief the meeting on the dates and venues for the next meeting.

□ □ □ END □ □ □



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/002

Agenda Item: 3

Summary Report of the 35th Electronic Commerce Steering Group Meeting

Purpose: Consideration
Submitted by: APEC Secretariat



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

**SUMMARY REPORT OF THE 35th APEC ELECTRONIC COMMERCE STEERING GROUP
MEETING (ECSG)**

9:00-6:00pm, 24 February 2017

9:00-12:30, 25 February 2017

Liberty Central Hotel, Nha Trang, Viet Nam

INTRODUCTION

1. The 35th APEC Electronic Commerce Steering Group (ECSG) meeting was held on 24-25 February 2017, in Nha Trang, Viet Nam. The meeting was chaired by Ms Shannon Coe, Department of Commerce, United States. The following member economies and guest organisations were represented at the meeting: Australia; Canada; China; Hong Kong, China; Japan; Korea; Malaysia; Peru; Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States; Viet Nam; APEC E-Commerce Business Alliance (APEC ECBA); Center for Information Policy Leadership (CIPL); International Chamber of Commerce (ICC); Internet Society (ISOC); World Trademark Alliance (WTA); and World Economic Forum (WEF).

AGENDA #1. INTRODUCTORY REMARKS BY THE ECSG CHAIR

2. The ECSG Chair, Ms Shannon Coe, United States, welcomed the delegates, thanked the Host Economy for its gracious hospitality, and encouraged the participation of all Member Economies to ensure a productive and effective meeting.

AGENDA #2. ADOPTION OF THE AGENDA

3. The meeting adopted the agenda (2017/SOM1/ECSG/001).

AGENDA #3. ADOPTION OF 34TH ECSG REPORT

4. The meeting endorsed the report of the 34th ECSG Meeting held on 19 August 2016 at Lima, Peru (2017/SOM1/ECSG/002) and the report of the 26th Paperless Trading Subgroup Meeting held on 18 August 2016 at Lima, Peru (2017/SOM1/ECSG/003), noting that the ECSG-PTS has been folded into the ECSG agenda.

AGENDA #4. BRIEFING ON APEC 2017 PRIORITIES BY VIET NAM

5. The Meeting noted the briefing on APEC 2017 priorities by Viet Nam (2017/SOM1/ECSG/030).

AGENDA #5. BRIEFING BY CTI 2017 PRIORITIES BY CTI CHAIR

6. The Meeting noted the briefing on CTI 2017 priorities by the CTI Chair (The Meeting noted the briefing on APEC 2017 priorities by Viet Nam (2017/SOM1/ECSG/004).

AGENDA #6. APEC SERVICES COMPETITIVENESS ROADMAP (ASCR)

7. The APEC Policy Support Unit (PSU) presented to the ECSG on the background of the ASCR, its implementation plans and the expected deliverables from the ECSG (2017/SOM1/ECSG/005). The Meeting noted that the ECSG Chair would be identifying possible indicators for inclusion in the APEC-wide action item #9 in the ASCR Implementation Plan for the consideration of members intersessionally.

AGENDA #7. BRIEFING BY EC CHAIR ON THE IMPLEMENTATION OF THE 2016 APEC ECONOMIC POLICY REPORT (AEPR) ON STRUCTURAL REFORM AND SERVICES

8. The Meeting noted the briefing by the EC Chair on the implementation of the 2016 APEC Economic Policy Report (AEPR) on Structural Reform and Services (2017/SOM1/ECSG/006).

AGENDA #8. REPORT ON APEC DEVELOPMENTS

9. The APEC Secretariat presented an update of the relevant developments in APEC since SOM3, 2016 (2017/SOM1/ECSG/007) and the update on APEC project management (2017/SOM1/ECSG/008).

AGENDA #9. REPORT FROM DATA PRIVACY SUB-GROUP

10. The Meeting endorsed the report from the ECSG-DPS Chair at Annex A (2017/SOM1/ECSG/008), with the key decisions as follows:

- Leadership Positions of the DPS
 - Endorsed Mr AHN Mr Ahn Kun Young as the second Vice Chair of the ECSG-DPS. Mr Ahn's term will be from SOM3, 2017 – SOM3, 2019.
- Joint Oversight Panel (JOP) Member
 - Endorsed Mr AHN Mr Ahn Kun Young as the third member of the JOP. Mr Ahn's term will be from SOM1, 2017 – SOM1, 2019.
- Cross Border Privacy Rules (CBPR) System:
 - Noted:
 - The JOP's ongoing review of Korea's application to participate in the CBPR;
 - Noted that the Philippines, Singapore, and Chinese Taipei are at different stages of consideration to participate in the CBPR;
 - Development of communications plan for CBPR
 - Endorsed:
 - the terms of reference for CBPRS.org Enhancements and the intention to use the existing MYP funds submitted by the Administration and Accountability Study Group (AASG); submitted to ECSG for endorsement
- Study Group on Data Portability
 - Noted the report of the working group
 - Endorsed the continuation of the study group, including its study on the impacts for the APEC region of the inclusion of a right to data portability in the EU General Data Protection Regulation due to commence in 2018, and for the working group to submit its report to SOM3
- DPS Work Plan 2017
 - Endorsed by the ECSG for submission to the CTI.
- APEC Privacy Framework:
 - Launch & Communications: DPS Chair and interested member economies to work with the APEC Secretariat on the proposed launch of the revised APEC Privacy Framework, including work on new release, fact sheet, infographics, and publication.
 - Future Work: Continue work on information sharing on breach notification, privacy management programme, and explore collaboration with OECD on developing privacy metrics.
- APEC Projects:

- Chinese Taipei's "Capacity-Building for Compliance with Cross-Border Privacy Rules System in APEC": Chinese Taipei to undertake intersessional consultations with Russia on the concept note due for submission on 7 March 2017.
- Multi-Year Project (MYP): The United States, as the Project Overseer, to work with the APEC Secretariat on the proposed re-programming and work plan for 2017 .

AGENDA #10. REPORT ON DEVELOPMENTS IN EU DATA PROTECTION AND E-COMMERCE POLICY

11. The United States provided a brief update on the EU Data Protection and E-Commerce Policy. The Meeting agreed to establish a small working group to further consider ECSG's continued engagement of the EU comprising members and guests (Australia; Canada; Japan; United States; CIPL; ICC; and ISOC). A proposal will be tabled for the consideration for the ECSG members intersessionally

AGENDA #11. DEVELOPING ECSG STRATEGIC PLAN

12. The United States and Russia briefed the meeting on the ECSG Strategic Plan 2018-2020 ((2017/SOM1/ECSG/029) jointly drafted by the two economies. The United States noted that the current draft took into account aligning the ECSG work with CTI priorities as well as Viet Nam's proposed "Framework on Cross-Border E-Commerce Facilitation. The two economies requested members submit their comments on the draft intersessionally.

13. The Meeting agreed to consider the TOR of the ECSG as part of the work to develop the strategic plan. The APEC Secretariat was requested to circulate the ECSG Terms of Reference (TOR) to all members in their consideration of this agenda item.

AGENDA #12. PROJECT PROPOSALS

(a) Update on Completed/Ongoing Projects

- (i) Promote Cross-Border E-Trade under the Framework of Regional Trade Agreements (RTAs) / Free Trade Agreements (FTAs) – Based on Best Practices in the APEC Region - **China**

14. China updated the meeting on its implementation plans of its approved project and requested members' cooperation during its implementation in 2017.

- (ii) Enhance MSME's Capacity for Inclusive Development by Cross border E-commerce adoption, **Viet Nam**

15. Viet Nam updated the meeting on its implementation plans of its approved project and requested members' participation at its workshop scheduled at SOM3, 2017.

- (iii) Cross-Fora Collaboration in APEC on the Use of Big Data in Medical Research, **United States**

16. The United States updated the meeting on the progress of the joint work with LSIF (2017/SOM1/ECSG/022).

- (iv) Progress Update of Korea-Chinese Taipei Electronic Certificate of Origin (e-C/O) Project, **Korea or Chinese Taipei**

17. Korea informed the meeting that there were no updates from both economies on the ongoing pathfinder.

- (v) Survey on Readiness for joining in CBPRs in period of 2016 – 2017, **Viet Nam**

18. Viet Nam updated the meeting on the outcomes of its survey (2017/SOM1/ECSG/025).

(b) New Projects or Activities

- (i) Capacity Building for Compliance with Cross-Border Privacy Rules System in APEC, **Chinese Taipei**

19. The ECSG meeting endorsed Chinese Taipei's concept note for submission to project session 1, 2017 (2017/SOM1/ECSG/011rev1).

- (ii) IDEAS Show @ APEC Innovation, **Chinese Taipei**

20. The ECSG meeting welcomed the self-funded project from Chinese Taipei noted that the concept note had been endorsed intersessionally on 9 February 2017 (2017/SOM1/ECSG/012).

- (iii) Key Indicators of Digital Economy, **Russia**

21. Russia briefed the meeting on its concept note on "Key Indicators of Digital Economy in the APEC Region", which was endorsed by the ECSG for submission for APEC Project Session 1, 2017 (2017/SOM1/ECSG/012; 2017/SOM1/ECSG/013; 2017/SOM1/ECSG/014; 2017/SOM1/ECSG/014a).

- (iv) Developing Efficient ADR Mechanisms for B2B E-Commerce Dispute Settlement in APEC Economies, **Russia**

22. Russia briefed the meeting on its draft concept note (2017/SOM1/ECSG/015; 2017/SOM1/ECSG/015a), noting that it welcomed members' comments intersessionally to further develop the proposal as an APEC Project.

AGENDA #13. FRAMEWORK ON CROSS BORDER E-COMMERCE FACILITATION, VIET NAM

23. Viet Nam presented its proposal on Framework on Cross Border E-Commerce Facilitation (2017/SOM1/ECSG/016; 2017/SOM1/ECSG/016a). The meeting welcomed the proposal and agreed that Viet Nam circulate a revised draft to the members by 30 April 2017 for intersessional endorsement by SOM2, 2017.

AGENDA #14. UPDATE FROM APEC E-COMMERCE BUSINESS ALLIANCE (ECBA)

24. The Meeting noted the report from ECBA (2017/SOM1/ECSG/019).

AGENDA #15. INFORMATION SHARING ON ELECTRONIC COMMERCE ISSUES

- (a) Member Economies

- (i) Brief Report on E-Commerce Development in the Russian Federation in 2016, **Russia**

25. The Meeting noted the report from Russia (2017/SOM1/ECSG/018; 2017/SOM1/ECSG/020), as well as Russia's proposal to SCE on "Bridging Gap in Economic Development and Integration of Remote Areas for Sustainable Growth in the APEC Region (2017/SOM1/ECSG/021).

(b) Guest Organizations

(i) Future Internet initiative, **Internet Society (ISOC)**

26. The Meeting noted the presentation from ISOC on Internet Futures Project (2017/SOM1/ECSG/027).

(ii) Updates from **World Economic Forum (WEF)**

27. The Meeting noted the report from WEF DigitalTrade@WEF (2017/SOM1/ECSG/026).

AGENDA #16. OTHER BUSINESS

(a) Report to CTI

28. The Chair informed the meeting that she would be preparing a written and oral report to the CTI based on the discussions at the meeting. The decision points prepared by the APEC Secretariat at (2017/SOM1/ECSG/032) would be incorporated into the Convenor's Report to the CTI.

AGENDA #17. CONCLUSION AND NEXT MEETING

(a) Document access

29. The meeting endorsed the meeting document classification list ((2017/SOM1/ECSG/000).

(b) Dates and venues for next meeting

30. The next ECSG and related meetings will be convened at the margins of SOM 3, 2017, at Ho Chi Minh City, Viet Nam. The administrative details of the meetings will be circulated to all Members, Observers and Guests in due course.

☐ ☐ ☐ END ☐ ☐ ☐

ECSG-DPS REPORT TO THE 35TH ECSG MEETING

- **Endorsed** the report of the DPS Chair, including:
 - o Leadership Positions of the DPS
 - Endorsed Mr AHN Mr Ahn Kun Young as the second Vice Chair of the ECSG-DPS. Mr Ahn's term will be from SOM3, 2017 – SOM3, 2019 – Agenda #1(c)(ii)
 - o Joint Oversight Panel (JOP) Member
 - Endorsed Mr AHN Mr Ahn Kun Young as the third member of the JOP. Mr Ahn's term will be from SOM1, 2017 – SOM1, 2019 – Agenda #1(c)(ii)
 - o Cross Border Privacy Rules (CBPR) System:
 - Noted:
 - The JOP's ongoing review of Korea's application to participate in the CBPR;
 - Noted that the Philippines, Singapore, and Chinese Taipei are at different stages of consideration to participate in the CBPR;
 - Development of communications plan for CBPR
 - Endorsed:
 - the terms of reference for CBPRS.org Enhancements and the intention to use the existing MYP funds submitted by the Administration and Accountability Study Group (AASG); submitted to ECSG for endorsement
 - o Study Group on Data Portability
 - Noted the report of the working group
 - Endorsed the continuation of the study group, including its study on the impacts for the APEC region of the inclusion of a right to data portability in the EU General Data Protection Regulation due to commence in 2018, and for the working group to submit its report to SOM3
 - o DPS Work Plan 2017
 - Submitted to ECSG for endorsement.
- **Agreed to** undertake the following intersessional work:-
 - o APEC Privacy Framework:
 - Launch & Communications: DPS Chair and interested member economies to work with the APEC Secretariat on the proposed launch of the revised APEC Privacy Framework, including work on new release, fact sheet, infographics, and publication.
 - Future Work: Continue work on information sharing on breach notification, privacy management programme, and explore collaboration of collaboration with OECD on developing privacy metrics.
 - o APEC Projects:
 - Chinese Taipei's "Capacity-Building for Compliance with Cross-Border Privacy Rules System in APEC": Chinese Taipei to undertake intersessional consultations with Russia on the concept note due for submission on 7 March 2017.
 - Multi-Year Project (MYP): The United States, as the Project Overseer, to work with the APEC Secretariat on the proposed re-programming and work plan for 2017 .
- **Noted** the following reports received at the DPS:
 - o Updates from existing CBPR economy participants – Canada, Japan, and the United States – Agenda 2(c)
 - o Summary of the Work of the Administration and Accountability Study Group (AASG) – Agenda 2(b) and 2(e)
 - o Viet Nam's report on the Outcomes of the Survey on CBPR Readiness in 2016-2017 – Agenda 2(e)
 - o ISOC on its 2016 Global Internet Report focusing on data breaches – Agenda #3(b)(i))
 - o Status Report from the Study Group on Data Portability – Agenda #4
 - o LSIF-ECSG Virtual Working Group's updates on the joint project – Agenda #5

- Update from Cross Border Privacy Enforcement Arrangement (CPEA) Administrators, including the ongoing consideration of the Philippines' intention to participate in the CPEA –Agenda #6
- APEC Secretariat's Project Management Update – Agenda #7(a)
- Status Report from MYP Project Lead, United States – Agenda #7(b)
- Viet Nam's Proposal "Framework on Cross-Border E-Commerce Facilitation" – Agenda 7(d)
- Australia's revised Data Privacy Individual Action Plan (IAP) – Agenda 8(a)
- Member Economies' updates on their respective data privacy developments: Australia; Canada, China; Japan; Korea; Malaysia; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; and Viet Nam – Agenda #10
- Guest Organisations Updates: ICC; ISOC; CIPL; ICDPPC; APPA; GPEN; OECD – Agenda #11

- END -



**Asia-Pacific
Economic Cooperation**


2017/SOM3/ECSG/003
Agenda Item: 5

CTI Sub-Fora Contributions

Purpose: Information
Submitted by: CTI Chair



36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017




APEC Committee on Trade and Investment

Sub-fora Contributions

Lyn Aquia, CTI Chair
SOM3 and Related Meetings,
18 -30 August 2017
Ho Chi Minh, Viet Nam

Advancing Free Trade for Asia-Pacific Prosperity


©2012 APEC Secretariat



Objective

- Highlight key SOM2/CTI2 outcomes
- Update on key areas; seek sub-fora contribution to the CTI priorities/specific areas:
 - Keeping the momentum on the FTAAP;
 - Advancing on digital trade and e-commerce;
 - Facilitating services trade; and
 - Leading SCFAP II's implementation
- Others:
 - TILF Pathfinders
 - 3 S (Streamlining, strengthening and sharpening)

SOM2 2017 Highlights




- **Bogor Goals & communicating more effectively the benefits of free and open trade and investment**
 - Acceleration of efforts towards the Bogor Goals, including NTMs
 - Adoption of the Timeline for the 2018 Individual Action Plan (IAP) review

- **Support for the Multilateral Trading System**
 - Welcomed entry into force of the TFA
 - Progress in the 2016 Initiative to Progress WTO Decision Export Subsidies
 - Implementation of Practical Steps on Implementing Provisions of the TFA

- **FTAAP**
 - Discussion of the 2017 Workplan of the FotC-FTAAP
 - Development of the multi-year work program of initiatives (Lima Declaration Action Plan)
 - TPD on WTO-plus elements of RTAs/FTAs
 - Capacity Building Needs Initiative (CBNI) – Consideration of the 3rd phase

SOM2 2017 Highlights



- **APEC Services Competitiveness Roadmap (ASCR)**
 - Development of a matrix to keep track of ASCR implementation
 - PSU survey to identify capacity building needs on the 14 APEC wide actions
 - Next Steps for Measuring the Regulatory Environment on Services
 - Non-binding Principles for Domestic Regulation of the Services Sector


- **Supply Chain Framework Action Plan Phase II (SCFAP II)**
 - 2017 Workplan on Trade Facilitation
 - Development of the Monitoring Framework to address the five chokepoints
 - Encourage member economies to champion and develop additional action plans and new capacity building projects under SCFAP II

SOM2 2017 Highlights


- **Digital Trade**
 - Progress in developing the APEC Roadmap on the Internet and Digital Economy
 - Ongoing discussions on facilitating digital trade (TPD on Digital Trade, etc.)
 - Progress in finalizing the APEC Cross-Border E-Commerce Facilitation Framework

- **Infrastructure Investment and Development**
 - Finalization of the report of the peer review of the Philippines
 - Progress of implementation of the Peer Review and Capacity Building to Vietnam

- **Supporting Industry**
 - Discussions on the APEC Policy Guidelines in Promoting Supporting Industry in APEC


SOM2 2017 Highlights


- **MSMEs**
 - Initiative to Promote E-Commerce to Globalize MSMEs
 - APEC Strategy for Green and Sustainable MSMEs; Boracay Action Agenda; MSME Marketplace

- **APEC towards 2020 and beyond**
 - Multi-stakeholder Dialogue on APEC Towards 2020 and Beyond

- **APEC Reform**
 - Implement three areas (sub-fora quorums, sunset clauses and FotC establishment guidelines) to improve APEC sub-fora governance
 - Initiative to Review and Update the Existing TILF Pathfinders
 - Recommendations on Streamlining, Strengthening, and Sharpening (3S) of CTI and Sub-fora


3S Recommendations to Improve CTI's Efficiency and Effectiveness



APEC
Asia-Pacific
Economic Cooperation


- Continue to implement the 2014 Ningbo Recommendations
- Develop a cross-cutting map exercise or matrix of projects
- Closely review the work agenda, work plans and terms of reference of CTI sub-fora
- Multi-year work plans (minimum of two years)
- Encourage "brainstorming" sessions
- Encourage each fora chair or designated members to be able to attend other fora's meetings
- Better information-sharing
- Review CTI sub-fora in 2019 and consider an independent assessment


Proposal to Review and Update Existing TILF Pathfinders



APEC
Asia-Pacific
Economic Cooperation

1	Mutual Recognition Arrangement of Conformity Assessment on Electrical and Electronic Equipment (EEMRA)	SCSC	
2	Trade and the Digital Economy	launched at Leaders level; CTI has oversight	
3	Advance Passenger Information (API)	BMG	Pathfinder has officially lapsed. (AUS)
4	Electronic Certificates of Origin	ECSG	
5	Food MRA	SCSC	Proposes that the pathfinder be terminated. (THA)
6	Technology Choice Principles	CTI	
7	Data Privacy	ECSG	Pathfinder is considered to have done its job and is finished. (AUS)
8	Self-Certification of Origin	CTI/MAG	
9	Facilitating Trade in Remanufactured Goods	MAG	
10	APEC Baseline De Minimis Value	CTI/SCCP	
11	Pathfinder on Permanent Customs Duty Moratorium on Electronic Transmissions, Including Content Transmitted Electronically	CTI	

Key Contributions for CTI Sub-fora Collaboration				 APEC Asia-Pacific Economic Cooperation
	FTAAP	ASCR	SCFAP2	Pathfinder Review/Update
SCCP	Tariffs NTMs ROO NGeTI (transparency)	<i>[Can contribute]</i>	Chokepoints 1,2,3,4	<ul style="list-style-type: none"> • [APEC Baseline De Minimis Value] • [Self-certification of origin]
SCSC	NTMs	Good regulatory practices	Chokepoints 1,3,4,5	<ul style="list-style-type: none"> • Mutual Recognition Arrangement of Conformity Assessment on Electrical and Electronic Equipment (EEMRA) • Food MRA
IEG	Investment	<i>[Can contribute]</i>	Chokepoints 2, 3	
MAG	Tariffs NTMs ROO Services	<i>[Can contribute]</i>	Chokepoints 2,4,5	<ul style="list-style-type: none"> • Self-certification of origin • Facilitating Trade in Remanufactured Goods
GOS	Services Investment NGeTI (Manufacturing Related Services, MSMEs)	Actions 4,5,6,7,10,13	Chokepoints 1,3,5	
ECSG	Services NGeTI (digital trade, e-commerce, MSMEs)	Action 9	Chokepoint 5	<ul style="list-style-type: none"> • Data Privacy • Electronic Certificates of Origin (e-CO) • [Customs Duty Moratorium]

CTI Chair Contact Points		 APEC Asia-Pacific Economic Cooperation
•	CTI Chair SherylynAquia@dti.gov.ph	
•	APEC Secretariat jk14@apec.org	



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/004

Agenda Item: 6

Lima Declaration Action Plan 2017-2020

Purpose: Consideration
Submitted by: ECSG Chair



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

First draft as at 4 August 2017

LIMA DECLARATION ACTION PLAN 2017-2020

In November 2016, APEC Leaders adopted the Lima Declaration on the Free Trade Area of the Asia Pacific (FTAAP), which was the fruit of two years' work within APEC on the *Collective Strategic Study on Issues Related to the Realization of the FTAAP*. Leaders reaffirmed their economies' commitment to advance, in a comprehensive and systematic manner, towards the eventual realization of the FTAAP as a major instrument to further APEC's regional economic integration agenda.

In the Lima Declaration, Leaders set out their expectations for the next steps towards the eventual FTAAP. In particular, Leaders instructed that:

- APEC should continue its role as an incubator of issues related to the FTAAP and should strengthen its capacity building and information-sharing activities in this regard;
- Progress should continue on pathways to FTAAP, with economies to examine by no later than 2020 the contribution of current pathways to the realization of the FTAAP;
- APEC should focus on bridging gaps in areas of convergence and divergence in RTA/FTA practice among its members;
- A stocktake should be undertaken on how "next generation" trade and investment (NGeTI) issues are dealt with in RTAs/FTAs and in the WTO. Following this, dedicated initiatives should be undertaken to address the issues arising from the stocktake or previously identified and potential NGeTI issues;
- Measures affecting trade and investment such as tariffs, non-tariff measures, services, investment, and Rules of Origin should be addressed through the development of dedicated work programs that will support the achievement of the Bogor Goals and advance the vision for the eventual realisation of FTAAP;
- Following both the examination of the pathways and the implementation of the work program, APEC economies should engage in a discussion about the main challenges remaining in the pursuit of the FTAAP and how APEC can address these;
- APEC should increase engagement with stakeholders such as ABAC and PECC; and
- Officials should next report back to Leaders in 2018 (and again in 2020) on progress towards the FTAAP.

Implementation

This Action Plan gives effect to the instruction by APEC Leaders. It outlines an indicative list of issues to be addressed over the period 2017-2020, key objectives, and the timeframes for delivery. The actions

First draft as at 4 August 2017

within each work program will be implemented by the Committee on Trade and Investment (CTI), its sub-fora, other APEC fora including ABAC, or by individual economies as outlined in the Action Plan.

The work programs contained in this Action Plan are designed to enhance progress towards the realization of an eventual FTAAP. The Action Plan is not intended to limit how the work program issues are addressed, nor the scope of issues to be addressed. This Action Plan should be seen as a living document; additional initiatives or broader sets of actions can be agreed by consensus and added to the Work Programs at any time in order to achieve the objectives set by Leaders in the Lima Declaration.

Capacity building is an integral part of achieving results under this Action Plan and specific capacity building outputs have been linked to each action.

This Action Plan provides the basis for future regular reporting to Leaders on progress towards the FTAAP, respectively in 2018 and 2020, as called for under the Lima Declaration. The Committee on Trade and Investment has overall responsibility for monitoring and evaluating progress under the Action Plan, including the preparation of reports to Leaders. CTI will update Senior Officials on progress of the Action Plan as part of its regular reporting. It will be the decision of Senior Officials if and when to also provide updates to Trade Ministers.

Following the implementation of the Action Plan, and based on the Collective Strategic Study, the Lima Declaration, and other APEC work as possible references, economies should consider what next steps can be taken towards the eventual realization of an FTAAP.

It is proposed that this Action Plan be reported to Ministers at the APEC Ministerial Meeting (AMM) 2017.

Work Program on Tariffs		
Accountability: CTI, MAG		
Background		
<ul style="list-style-type: none"> The Collective Strategic Study found that while overall MFN tariffs have been on the decline in the APEC region, there remain areas of opportunity for further liberalization. Tariff peaks remain evident in the agriculture sector, while tariffs still average above 5% in sectors such as clothing, leather and footwear, textiles, fish and fish products, and transport machinery. As discussed in the Collective Strategic Study, there is ample evidence that lowering tariffs has positive effects for domestic competitiveness, improves firms' ability to participate in GVCs an export markets, and can contribute an increase to an economy's GDP. In the Lima Declaration, APEC Leaders instructed officials to focus work on lowering remaining tariffs and examining market access commitments under the identified pathways to find areas of convergence and divergence. 		
Objectives		
<ul style="list-style-type: none"> Improve understanding by governments of the benefits of further tariff liberalisation for their economies. Increase transparency of existing tariff commitments under potential pathways and other regional agreements. Identify areas of convergence and divergence of market access commitments under potential pathways. Economies better understand the situation of market access commitments to enable them to engage in the eventual realization of FTAAP, which should be high quality, comprehensive, and incorporate and address 'next generation' trade and investment issues. 		
Initiatives proposed	Milestones	APEC Fora
Study on market access commitments and tariffs' impact under potential pathways to FTAAP.	tbc	MAG
Capacity building through workshops/seminars to share knowledge and best practice of tariff reduction/elimination and to identify further initiatives.	tbc	CTI

Work Program on Non-Tariff Measures			
Accountability: MAG, SCSC, CTI			
Background			
<ul style="list-style-type: none"> The Collective Strategic Study highlighted the strong concerns of the business sector about the growing prevalence of NTMs and the business sector's desire to see APEC address this issue. The Study suggested that the cost of NTMs on goods trade in the APEC region was three times the cost of tariffs. The Collective Strategic Study also highlighted how NTMs have been dealt with in traditional FTAs/RTAs, alongside the expectation that FTAAP covers NTMs too. There remains considerable scope for APEC to look further into issues related to NTMs, raise greater awareness, and build capacity so that the effects of NTMs can be mitigated for the benefit of businesses and consumers in the APEC region. 			
Objectives			
<ul style="list-style-type: none"> Improved understanding of major NTMs in the region and the impact they have on trade, investment and doing business through Knowledge-sharing of best practice on NTM development (good regulatory practice), publication (transparency and accessibility of information), and implementation (certification, conformity assessment), including how to balance market openness with public policy considerations. Improved capacity of governments and businesses to address trade-restrictive NTMs and mitigate negative impacts of NTMs on trade while achieving legitimate policy purpose. New NTMs adopted by economies in a manner consistent with APEC principles. 			
Initiatives proposed		Milestones	Lead economy
Development of APEC Cross-Cutting Principles on NTMs		Principles adopted by AELM 2017	New Zealand / Korea
REI CBNI capacity building workshop to share knowledge and best practice on addressing NTMs through free/regional trade agreements.		1. Initiative applies for APEC funding in Session 2, 2017 2. Workshop held in first half of 2018.	New Zealand / Korea
Trade Policy Dialogue on NTMs in the agri-food sector to understand better the views of the business sector as well as policy makers.		Dialogue held during SOM1 2017.	New Zealand
APEC Public-Private Dialogue to Advance Understanding on NTMs in Textile Industry for the realization of FTAAP		1. Initiative applies for APEC funding in Session 2, 2017 2. Workshop held in first half of 2018.	Viet Nam

First draft as at 4 August 2017

Survey to establish best practice examples of addressing NTMs through industry consultation	tbc		Mexico
---	-----	--	--------

<p>Work Program on Services</p> <p>Accountability: GOS, CTI</p> <p>Background</p> <ul style="list-style-type: none">• The Collective Strategic Study highlighted that, although it is generally understood that services are increasingly important in the global economy, their significance remains understated. The impact of services on supply and value chains, and the relevance of embedded or embodied services, are not sufficiently taken into account in most analyses.• The Study further found that regulatory measures that restrict services trade are applied in varying degrees in all APEC economies. The various restrictions slow down or impede economic relationships between partner economies, and they constrain economic development and competition in the domestic economy.• Through the adoption of the APEC Services Competitiveness Roadmap (ASCR), APEC has recognised that services competitiveness and liberalization are important facilitators of growth and job creation in the region. The ASCR includes a set of actions and mutually agreed targets by 2025. The ASCR's fourteen APEC-wide actions will help support services trade growth in the region and build momentum to an eventual FTAAP.• Liberalization of services is challenging, requires sequencing and warrants support through technical assistance. Australia has committed AU\$2 million to fund practical capacity building projects to enable developing APEC economies to overcome barriers to implementing the ASCR. <p>Objectives</p> <p>NB: initiatives that support services with respect to FTAAP will be conducted and accounted for under the ASCR and associated Implementation Plan.</p>
--

Work Program on Investment			
Accountability: IEG, CTI			
Background			
<ul style="list-style-type: none"> The Collective Strategic Study found that economies with a higher presence of FDI relative to the size of their economies tend to have a higher level of participation in global value chains and to generate relatively more domestic value added from trade. Hence economies have pursued new policy measures to attract investment, including through the proliferation of international investment agreements (IIAs). Building greater convergence and harmonization of international investment regimes would assist the deepening of the regional economic integration process towards an eventual FTAAP. 			
Objectives			
<ul style="list-style-type: none"> Enhance a better understanding of the current situation and new trends of cross-border investment in the APEC region. Examine investment commitments under newly-established IIAs (including FTAs/RTAs) as well as unilateral investment policies and measures to identify areas of convergence. Enhance capacities of APEC economies to negotiate and implement high-quality and comprehensive IIAs/FTAs/RTAs. 			
Initiatives proposed	Milestones	APEC Fora	Lead economy
Updated study on the current trends in cross-border investment in the APEC region	tbc		China
Workshop on approaches to implementing investment commitments	Workshop held in December 2017	CTI	Australia
Investment Policy Dialogue: Sharing experiences on communicating the benefits of investment	Dialogue held at IEG2 in August 2017	IEG	Australia
Annual information-sharing mechanism on IIAs, investment liberalisation and promotion measures	Held in IEG2 annually	IEG	China/Australia
Annual collection of best practice examples under a specific investment topic	tbc	IEG	China/Australia

Work Program on Rules of Origin				
Accountability: CTI, SSCP, MAG				
Background				
<ul style="list-style-type: none"> The Collective Strategic Study identified that a complicated web of overlapping FTAs in the region could lead to high costs for verifying rules of origin (ROO). These additional administrative costs and the resulting trade diversion effect may offset the initial welfare gains of FTA/RTAs. The study also identified current trends in ROO as well as some convergence and divergence in rules of origin and related procedures in selected FTAs among APEC economies 				
Objectives				
<ul style="list-style-type: none"> To build on existing APEC work on ROO and identify existing gaps that could be filled in order to achieve greater economic integration in the region. Develop best practices in customs origin procedures to facilitate economies' progress towards existing APEC goals on the simplification of ROO. 				
Initiatives proposed		Milestones	APEC Fora	Lead economy
Public-private dialogue on Rules of Origin		Dialogue held at SOM3 2017.	CTI	Singapore

Work Program on Next Generation Trade and Investment Issues			
Accountability: CTI			
Background			
<ul style="list-style-type: none"> • Next Generation Trade and Investment Issues (NGeTI) are: issues that have been considered to be traditional trade issues, but need to be addressed in new ways given changes to the global trading environment; or issues that either did not exist or were not considered trade issues 15 years ago, but that now have a real impact on companies' ability to do business in the APEC region. • NGeTI-related activities are important to raise awareness of the impact of cutting-edge trade and investment issues on businesses operating in the APEC region. • Initiatives on NGeTI present an opportunity for APEC to continue its leadership and exert its influence over the developing trade agenda. 			
Objectives			
<ul style="list-style-type: none"> • Undertake a stock take as to how next generation trade and investment issues are dealt with in existing FTAs/RTAs in the APEC region and other regions and in the WTO. • Use the stock take to develop dedicated initiatives, including through capacity building, to close the gaps between different treatment of these issues by economies as revealed by the stock take. • Keep APEC at the forefront of addressing cutting-edge issues that affect trade and business. • Build capacity for economies to develop best practice and coherent approaches to emerging issues affecting trade and investment. 			
Initiatives proposed*		Milestones	APEC Fora
Stocktake on how NGeTI are dealt with in existing FTAs/RTAs in the APEC region, in other regions and in the WTO context.		tbc	CTI
NGeTI non-paper		tbc	CTI
Stocktake on potential initiatives to address transparency as a NGeTI		tbc	CTI
Manufacturing related services		1. Interim review in 2018 2. Final review in 2020	CTI/GOS
Digital Trade		tbc	CTI
FTAAP Capacity Building Workshop on FTA Negotiation Skills on Competition		Workshop held in August 2017	CTI
REI CNBI Workshop on e-commerce		Workshop held in February 2017.	CTI
Digital Trade (Data Flow)		Submitted the conceptual paper on global data flow facilitation in February and May	CTI
			Japan
			Japan
			Australia
			Russia
			Viet Nam
			US
			Japan
			Japan
			Japan

First draft as at 4 August 2017

	2017 Next???			
Framework on Cross-border e-Commerce Facilitation	1. Development of Framework by SOM3 2017. 2. Endorsement of Framework by Ministers at AMM 2017	ECSG	Viet Nam	
Development of enabling environment for MSMEs as a contribution to FTAAP goals	1. Concept paper at SOM3 2017 2. Stock take of current data on MSMEs in each economy (2019) 3. Workshop and follow up on identified findings.	CTI/SMEWG	Malaysia/Philippines	
Work plan on investment aspects of NGeTI	tbc	IEG		

(*) The next generation trade and investment issues identified in this Work Program include, but are not limited to, those found in Chapter 3 of 'Collective Strategic Study on Issues Related to the Realization of the FTAAP'.



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/005
Agenda Item: 6

Annex A: Lima Declaration on Free Trade Area of the Asia-Pacific

Purpose: Information
Submitted by: ECSG Chair



36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017

Annex A: Lima Declaration on FTAAP

Recommendations

1. Goals and Principles

- We reaffirm our commitment to advance the process in a comprehensive and systematic manner towards the eventual realization of the FTAAP as a major instrument to further APEC's regional economic integration agenda;
- We reaffirm that APEC's core objective will be to attain the Bogor Goals by 2020, and that efforts in support of the realization of the FTAAP will serve as a driving force to further advance regional economic integration;
- We reaffirm that the FTAAP will be realized outside of APEC, parallel with the APEC process;
- We reaffirm that the eventual FTAAP should do more than achieve liberalization in its narrow sense; it should be high quality and comprehensive, and incorporate and address 'next generation' trade and investment issues;
- We recognize that APEC has a critical role to play in shaping and nurturing regional economic integration, upholding the principles of openness, inclusiveness and cooperation under a win-win spirit, promoting profound economic restructuring, deepening and strengthening regional economic integration, and give greater impetus to the sustainable development of the Asia-Pacific. In this sense, APEC encourages unilateral economic reforms and the conclusion of comprehensive and high quality RTAs/FTAs.

2. Completing and Enhancing the Possible Pathways

- We recognize that regional and bilateral trade agreements (RTAs/FTAs) have enhanced regional economic integration, while at the same time APEC members' different stages of development, and RTAs/FTAs with various levels of liberalization and coverage may pose challenges to achieving full regional integration. Thus, we reaffirm our commitment that the FTAAP should be built upon ongoing regional undertakings, and through possible pathways including the Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP). We welcome other regional integration undertakings to make meaningful contributions to the eventual realization of the FTAAP;
- We encourage that all regional undertakings, including TPP and RCEP, remain open, transparent and inclusive and draw on each other so as to jointly contribute to the trade and investment liberalization and facilitation in the region and the eventual realization of the FTAAP;
- We also reaffirm our vision contained in the Pathways to FTAAP. In this connection, we note recent developments on RTAs/FTAs in the region and the progress of the possible pathways to the FTAAP, including efforts by TPP signatories to complete their domestic processes and efforts by RCEP parties to accelerate towards the completion of the

negotiations to achieve a modern, comprehensive, high-quality and mutually beneficial agreement.

- We encourage the progress of the FTAAP pathways and progress of implementation of the initiatives identified in this document to be reported to the CTI as appropriate including under the Information Sharing Mechanism. Further, this report may be included in the CTI/SOM Report to Ministers and/or AELM.
- To maintain momentum and focus work towards an eventual FTAAP, APEC economies will examine, by no later than 2020, the contribution of current Pathways to the realization of the FTAAP. The examination will identify specific areas of work that could be done to further promote the regional free and open trade and investment and that would support advancement toward an eventual FTAAP. In addition, this examination, and the work programs noted below, will help APEC determine what areas remain the most challenging in meeting regional economic integration goals and an eventual FTAAP. Following the examination, all APEC economies may engage in a collective discussion on what role APEC can play toward addressing these challenges in a manner that is inclusive, balanced, and beneficial to all economies and consider next steps APEC can take towards the eventual realization of an FTAAP.

3. Continuing APEC's Role as an Incubator and Strengthening Existing APEC Initiatives that support FTAAP Objectives

- We commit that APEC should continue to be an important contributor to advancing towards the eventual realization of an FTAAP. APEC plays a key role as an incubator of issues related to the FTAAP by providing leadership, intellectual inputs and capacity building including but not limited to the APEC Information Sharing Mechanism on RTAs/FTAs; the Action Plan Framework of the 2nd Capacity Building Needs Initiative (CBNI); and advancing sectoral initiatives, and promoting Policy Coordination/Coherence, and conducting Industry/Sector Dialogue, etc., so as to facilitate the eventual realization of the FTAAP.
- We agree that APEC should continue to identify and address next generation trade and investment issues and advance new initiatives in areas identified by APEC economies as critical for achieving an eventual FTAAP. Therefore, we encourage officials, through the Committee on Trade and Investment and its sub-fora to advance potential areas of work arising from this Study by consensus, including in areas already under consideration as either identified or potential next generation trade and investment issues;
- We agree that APEC should advance Structural Reform with a view toward improving the business environment. In line with the Ease of Doing Business Action Plan, APEC should continue to identify ways to improve the regulatory climate for starting a business, obtaining permits, accessing credit, trading across borders, and enforcing contracts, among others;
- We agree that APEC should increase efforts to improve trade facilitation. APEC has been a leader in developing capacity building programs designed to help economies implement obligations under the WTO Trade Facilitation Agreement (TFA). APEC should continue to advance capacity building projects in this area.

4. New Initiatives to Advance Regional Economic Integration

- The Collective Strategic Study identified a number of remaining challenges, gaps and areas of divergence among APEC economies, including in RTAs/FTAs. The discussion started in the Study should continue, including on potential elements to be addressed in the FTAAP and additional work in support of the eventual realization of the FTAAP. APEC's work should focus on bridging these gaps in order to ensure APEC economies are continuing along a pathway towards productive regional economic integration.
- APEC will focus work to address areas of divergence and convergence in RTA/FTA practice, including on the possible pathways for the FTAAP, and in the areas identified in the Collective Strategic Study, while also implementing capacity building programs to increase understanding of these agreements and members' capacity to participate in high quality, comprehensive and ambitious free trade agreements.
- As the next step in advancing the Beijing Roadmap, we instruct officials to undertake a stock take as to how next generation trade and investment issues are dealt with in existing FTAs/RTAs in the APEC region and other regions and in the WTO;
- We further instruct officials to use the stock take to develop dedicated initiatives, including through capacity building, to close the gaps between different treatment of these issues by economies as revealed by the stock take. Initiatives should be developed within the relevant APEC fora and included in each forum's work plan on an annual basis from 2018 onwards;
- We instruct Officials to continue to work on measures affecting trade and investment as identified in the Study that support the achievement of the Bogor Goals, and to advance the vision for the eventual realization of the FTAAP. To achieve these goals, APEC could embark on work programs to build consensus and capacity for economies in the following areas including, but not limited to:
 - On tariffs, the work program should focus on lowering remaining tariffs and examining market access commitments under the identified pathways to find areas of convergence and divergence.
 - On NTMs, the work program could prioritize collaboration with ABAC, based on their recommendations to Leaders in 2015, to identify and address NTMs affecting trade and aid economies' understanding of NTMs and their potential impacts.
 - On services, the work program should support the implementation of the APEC Services Competitiveness Roadmap as a way to spur economic growth and improve services competitiveness in individual APEC economies and the APEC region.

- On investment, the focus should be to help economies clearly identify the areas of convergence in investment practice and exchange experiences on the negotiation and implementation of IIAs.
- On Rules of Origin (ROO), the work program should address best practices in customs origin procedures to facilitate economies' progress towards existing APEC goals on the simplification of ROO.
- To support a balanced and inclusive discussion on these issues, we instruct officials to focus on addressing the recommendations in this document through the Committee on Trade and Investment and its sub-fora, and encourage participation of the private sector and other stakeholders in these discussions including through Trade Policy Dialogues.

5. Strengthening Consultation with Stakeholders

- APEC should increase engagement with stakeholders in the region, including ABAC and PECC, in its efforts to support the realization of the FTAAP.

6. Reporting on Progress

- We instruct officials to undertake work on the recommendations through the Committee on Trade and Investment and to report back to Leaders on progress towards the realization of the FTAAP, particularly with regard to the new initiatives identified in this document. The reporting should be done separately but in parallel with the Bogor Goals reporting milestones which occur in 2018 and 2020.



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/006

Agenda Item: 7

APEC Secretariat Updates

Purpose: Information
Submitted by: APEC Secretariat



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**



APEC
Asia-Pacific
Economic Cooperation

Advancing
Free Trade for Asia-Pacific
Prosperity

APEC Secretariat Updates

ECSCG and Related Meetings, 20-23 August 2017
SOM 3 & Related Meetings, August 2017

Prepared by
APEC Secretariat

Copyright © 2017 APEC Secretariat



Re-Cap: APEC Viet Nam 2017

APEC
Asia-Pacific
Economic Cooperation

Viet Nam and APEC 2017

Creating New Dynamism, Fostering a Shared Future

- Promoting sustainable, inclusive and innovative growth
- Deepening regional economic integration
- Strengthening MSMEs' competitiveness and innovation in the digital age
- Enhancing food security and sustainable agriculture in response to climate change

SOM CHAIR 2017 **For more details: 2016/ISOM/003/004/005/006**
Mr. BUI Thanh Son
Permanent Deputy Minister of Foreign Affairs

APEC
VIET NAM
2017

Updates from at 35th ECSG Meeting



ECSG ONGOING WORK

❖ **APEC Privacy Framework 2015 Published**

- Publication: http://publications.apec.org/publication-detail.php?pub_id=1883
- **For discussion:** Proposed launch & Communications: news release, fact sheet, infographics

❖ **Review of ECSG Work (Agenda #10 of ECSG Meeting)**

ECSG'S COLLABORATION WITH CTI (ref Agenda #5 of ECSG Meeting)

- ❖ Streamline, Strengthen and Sharpen (3S) CTI and CTI Sub-Fora
- ❖ Lima Declaration on FTAAP Action Plan (Agenda #6 of ECSG Meeting)
- ❖ APEC Services Competitiveness Roadmap Baseline Indicators (Agenda #16 of ECSG Meeting)

ECSG'S PARTICIPATION AT AHSGIE

Sheraton Hotel, 25-26 August 2017

Governance Improvements of APEC Fora



BACKGROUND


Proposal by Australia endorsed at SOM 2 2017 (2017/SOM2/002):

1. Monitoring and enforcing quorum across all sub-fora (Working Groups/Sub-Committees)
2. Adopting and enforcing a consistent approach to the operation of sunset clauses across all sub-fora
3. New instructions for the governance of Friends of the Chair.

Terminology:


Sub-fora/Working Groups/ Sub-committees: sectoral and technical working level groups reporting to Committees.

Sub-group: established under Working Groups/ Sub-Committees to address specific areas under the Working Groups/ Sub-Committee's scope.

Governance Improvements of APEC Fora 
Asia-Pacific
Economic Cooperation

1. Monitoring and enforcing quorum across all sub-fora (Working Groups/Sub-Committees):


- a quorum constitute attendees from 14 economies, unless an alternative quorum size is specified in the sub-forum's Terms of Reference, and approved by SOM
- any sub-forum which fails to achieve a quorum at two consecutive meetings will be referred to Senior Officials for a decision on whether it should continue to exist
- quorum rule not apply to groups in the first one or two years of operation (to allow new groups some flexibility in establishing their agenda and building support.)
- the Secretariat to closely monitor attendance at all sub-fora and report annually to SOM on any sub-forum which does not achieve a quorum at two consecutive meetings

Governance Improvements of APEC Fora 
Asia-Pacific
Economic Cooperation

APEC Secretariat is seeking Senior Officials' guidance on the following points (all tbc):


- quorum requirements only apply to working groups' and sub-committees' official plenary meetings and not to non-plenary meetings (such as sub-groups, management council and planning meetings etc.)
- remote participation can be included when counting the number of participating economies at a plenary meeting.
- quorum requirements take effect from the beginning of 2018 without retrospective reference to past quorum record.

• Timeline for reviewing TOR: by SOM 1 2018

Governance Improvements of APEC Fora 

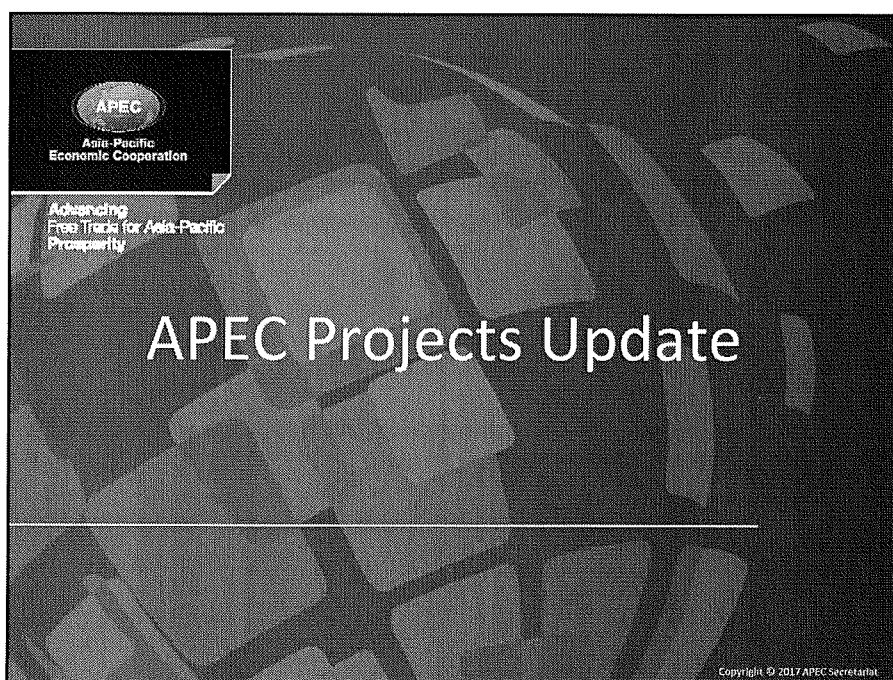
2. Adopting and enforcing a consistent approach to the operation of sunset clauses across all sub-fora:

- where sunset clauses are absent, Senior Officials instruct the sub-fora in question to immediately incorporate a sunset clause, which will ordinarily be four years in duration (two years for Task Forces)
- progressively standardise all existing sunset clause durations where they differ from four years (two years for Task Forces)
- sub-fora will cease to exist upon reaching the 'sunset date' unless renewal is explicitly approved by Senior Officials

Governance Improvements of APEC Fora 

3. New instructions for the governance of Friends of the Chair (FotC):

- FotC can only be established with the agreement of the Chair of the relevant Committee (SOM, CTI, EC, SCE, SFOM and BMC)
- FotC be established, on an as-needs basis at the discretion of the Chair, where work cannot be undertaken within the existing committee structure, due to the sensitive or highly technical nature of the issue, or time pressures
- FotC have Terms of Reference (TOR), or Work Plans, setting out the mandate of the FotC and how it's work relates to other relevant APEC sub-for a
- TOR and Work Plans for FotC include sunset clauses
- FotC automatically dissolve upon with the expiration of the term of the Chair of the relevant Committee, unless the incoming Chair explicitly requests that they continue.




APEC Funded Projects in 2016		APPROVED ECSG Projects	
Project Title	Proposing Economy(ies)	Co-Sponsoring Economies	Approximate Amount Sought from APEC (US\$)
Promote Cross-border E-Trade under the Framework of RTAs/FTAs - Based on Best Practices in the APEC Region	China	Canada, Korea, Singapore, the Philippines	132,615
Enhance MSME'S Capacity for Inclusive Development by Cross-Border e-Commerce Adoption	Viet Nam	Canada, Japan, Korea, Peru, the Philippines, the United States	118, 923

Implementation by 31 December 2017

Project Session 1, 2017: Outcomes	
Number of Projects Requesting Funding	137
Number of Projects Approved	46
Overall Approval Rate (Session 1, 2017)	34%
(Overall Approval Rate - 5 Year Average)	~ 42%

Successful ECSG Project				
Project Title	Proposing Economy	Co-Sponsors	Amount Sought from APEC (US\$)	Average (Scoring)
Seminar on Capacity-Building for compliance with Cross-Border Privacy Rules System in APEC	Chinese Taipei	Australia; Japan; Korea; Mexico; Thailand; United States; and Viet Nam	80,000	17.55
IMPLEMENTATION BY DECEMBER 2018				


Project Session 2, 2017: Update



- Project Session 2, 2017 commenced on 21 June
- 123 concept notes were submitted
- Project Overseers can expect to be notified about their concept notes by 19 September
- Project proposals for approved projects must be submitted to the Secretariat for quality assessment no later than 26 October

All dates with detailed explanations are available on the APEC website:
<http://www.apec.org/Projects/Applying-for-Funds.aspx>

ECSG Project Submitted for Session 2



Project Title	Proposing Economy	Co-Sponsors	Amount Sought from APEC (US\$)	Average (Scoring)
PPD on Existing and Emerging Issues Related to E-Commerce and Digital Economy	Peru	Australia, Chinese Taipei, Japan, United States	120,000	18.69

AWAITING DECISION OF PRINCIPAL DECISION MAKER


PROJECT OVERVIEW: Fund Availability		APEC Asia-Pacific Economic Cooperation
Project Fund	PROJECT SESSION 2, 2017	
General Project Account (GPA)	\$ 1,008,000	
Trade & Investment Liberalisation and Facilitation Account (TILF)	\$ 921,000	
APEC Support Fund (ASF) General Fund	\$ 1,361,000	
ASF Sub-funds		
Human Security	\$ 283,000	
Health & Emergency Preparedness	\$ 170,000	
Energy Efficiency	\$ 1,830,000	
Supply Chain Connectivity	\$ 1,538,000	
Mining	\$ 197,000	
Free Trade Area of the Asia-Pacific and Global Value Chains	\$ 394,000	
Innovative Development, Economic Reform and Growth	\$ 364,000	
Connectivity	\$ 237,000	
Micro, Small and Medium Enterprises	\$ 452,000	
Renewed APEC Agenda on Structural Reform (RAASR)	\$ 1,870,000	
Total Amount Available (GPA+TILF+ASF+Sub-Funds)	\$ 10,625,000	

To Note:

- *Figures are estimates and fluctuate based on contributions received, funds dispersed and monies returned.*
- *All Figures are in USD*


Establishment of New Sub-funds		APEC Asia-Pacific Economic Cooperation
New Sub-Funds		
<ul style="list-style-type: none"> • The Renewed APEC Agenda on Structural Reform (RAASR) sub-fund was opened for Project Session 1, 2017 • Plans are underway to open a new sub-fund in 2018 – the Women and the Economy sub-fund. 		
Sub-Fund Eligibility Criteria		
<ul style="list-style-type: none"> • Specific eligibility criteria and application processes for all sub-funds are available on the APEC Website: http://www.apec.org/Projects/Funding-Sources.aspx 		

Self-Funded APEC Projects



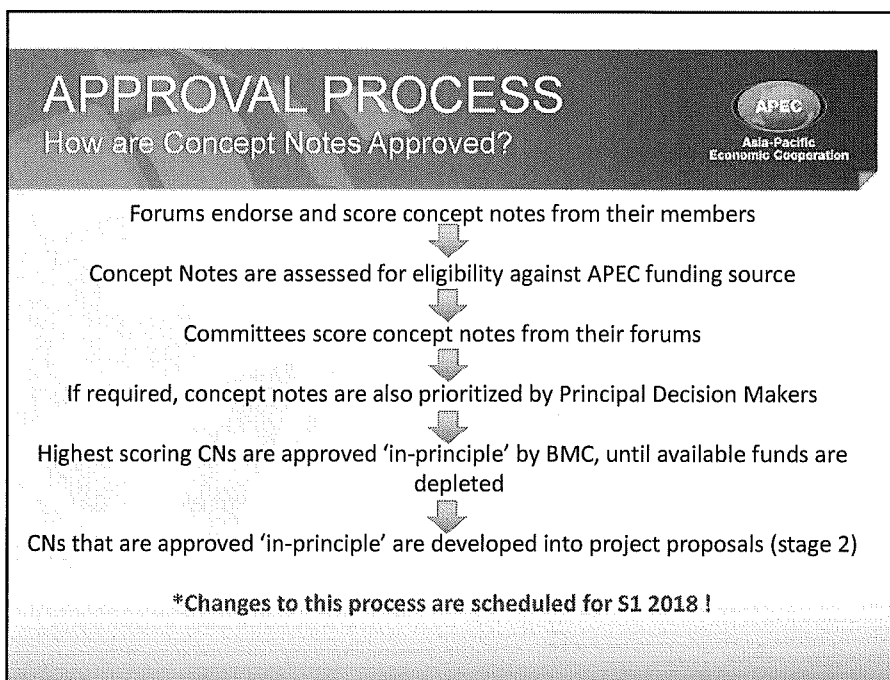
- Can be put forward at any time
- Must be approved by the group
- Must comply with **APEC guidelines and practices** (hosting, publications, logo use, non-member participation)
- Project Overseer must submit **Self-Funded Project Proposal Coversheet** (Guidebook on APEC Projects, Appendix C) to the Secretariat before commencement of the project
- Project Overseer is strongly encouraged to submit **Completion Report** (Guidebook on APEC Projects, Appendix G)

Capacity Building in Projects




Capacity Building in Projects

- Capacity building is central to APEC Projects. In 2015, SCE approved a Capacity Building Policy for APEC. The policy aims to strengthen the focus of APEC projects towards capacity building outcomes
- Capacity Building will be supported by changes in the next edition of the Guidebook on APEC Projects, such as a new appendix which addresses APEC's Capacity Building Goals, Objectives and Principles.



Monitoring and Completion Reports



Monitoring Reports (MRs):

- Monitoring reports are currently due every 6 months on 1 February and 1 August

Completion Reports (CRs):

- Completion reports are due within 2 months of the project's completion

Failure to submit MRs or CRs:

- POs with outstanding MRs are ineligible to submit new Concept Notes or have any proposal approved until all overdue reports are submitted
- Any APEC forum whose project has not submitted a CR is ineligible to submit new Concept Notes or have any full proposal approved until all overdue reports are submitted

Report templates can be found on the APEC Website:
<http://www.apec.org/Projects/Forms-and-Resources.aspx>

Key Advice for Concept Notes




- **Follow all guidelines:**
 - Meet the submission deadline
 - 3-pages maximum
 - Write clearly and succinctly for an audience of non-experts
 - Address the eligibility criteria for the fund/ sub-fund you apply for
 - Show how the project will build capacity
 - Secure at least 2 co-sponsoring economies (some groups expect more)
 - Link project to annual APEC Funding Criteria
 - Ensure project end date is by December of the following year
 - Use most current form, found on APEC website, project link
- **Ensure that your economy scores Concept Notes, including its own**

Key Advice for Project Implementation



Be familiar with and follow APEC procurement rules:


- *Guidebook* Chapter 12 on Contracting
- Different requirements for contracts below USD 5,000; 20,000; 50,000; 50,001 and above
- For over USD 50,001 get your proposal assessment panel together early and remember **only members of your forum officials (or their nominated delegates) can be assessors!**
- Use the RFP timeline and correct templates
<http://www.apec.org/Projects/Forms-and-Resources.aspx>


 APEC
 Asia-Pacific
 Economic Cooperation

Key Advice for Project Implementation

How to have a successful workshop:

- Give at least sufficient notice to members of workshops, nomination requests
- Do your research and use your networks to find the right participants and speakers – don't just rely on members to find them for you
- Involve relevant International Experts and organizations as speakers, ensuring you follow the Guidelines on Managing Cooperation With Non-members
- Invite a representative(s) of other APEC working groups if relevant
- Work closely with your Secretariat Program Executive on travelers approvals and acquittals


 APEC
 Asia-Pacific
 Economic Cooperation

Project Forms & Resources

<http://www.apec.org/Projects/Forms-and-Resources.aspx>

Project Guidebook

- [Guidebook on APEC Projects \(11th Edition\)](#) - Feb 2016

Forms for Applicants

- [Concept Note Template](#) - BMC1 2015
- [Project Proposal Template](#) - BMC1 2015
- [APEC Self-Funded Project Proposal Coversheet](#) - BMC2 2012
- [QAF - Quality Assessment Framework](#) - BMC1 2015

Resources for Applicants

- [Funding Criteria for all APEC Funded Projects in 2016](#)
- [Project Quality Training Materials](#) - BMC2 2015
- [Concept Note Development Materials](#) - 14 Aug 2015
- [Project Proposal Development Materials](#) - 14 Aug 2015
- [Quality Criteria for Assessing APEC Projects](#) - BMC1 2015
- [Guide on Gender Criteria](#)
- [Applying for APEC Funds Overview](#) - BMC1 2015
- [APEC Guidelines on Conducting Capacity Building](#) - BMC1 2015

Introduction: Background to changes



- The **APEC Capacity Building Policy** (the Policy) is endorsed by SCE in 2015.
- BMC establishes a Small Working Group (SWG) at BMC 1 2016, to explore ways to implement the APEC Capacity Building Policy, as it pertains to the governance of APEC Projects. The **SWG** asked the APEC Secretariat to:
 - Make practical updates to the Guidebook and scoring sheet to reflect the Policy
 - Look at ways of streamlining the project approval process and management procedures
- The first 'bundle' of changes were approved at BMC2 in 2016.
 - These are largely about how to incorporate the Policy Operating Principles into the Guidebook and scoring frameworks.
- The second 'bundle' of changes were approved at BMC 1 in 2017.
 - These are about the new project selection model.
- **Senior Officials endorsed all the collective changes at SOM 1, to apply for Project Session 1 2018.**

So what is changing?



"Making practical updates to the Guidebook and scoring sheet to reflect the Policy"

- A new Appendix: APEC's capacity building goals, objectives and operational principles.
- Updates to the Concept Note, Project Proposal and Self-Funded Project Proposal Templates.
- Guidance on the role of the private sector in sponsorship and implementation of projects.
- *"Supports Capacity Building"* will be added as a new scoring criteria

APEC
Asia-Pacific
Economic Cooperation

So what is changing?

“Look at ways of streamlining the project approval process and management procedures”

- There will be one scoring stage (not two).
- There will be a single integrated scoring sheet (not two).
- Each APEC project fund and each sub-fund will be assigned to a specified committee or forum, or to Senior Officials, for scoring purposes (see next slide).
- These scores alone will determine the final selection order against each fund and sub-fund.
- The role of Principal Decision Maker (PDM) will discontinue.
- The specified committee, forum or SOM will monitor existing eligibility criteria, review/amend eligibility criteria if necessary in consultation with fund donors, and decide on concept note eligibility.

APEC
Asia-Pacific
Economic Cooperation

So what is changing?

“Look at ways of streamlining the project approval process and management procedures (cont'd)”

- Concept notes will be scored against the criteria already established for each fund or sub-fund. As GPA has no pre-existing criteria, Senior Officials will approve annual criteria (priority themes of incoming and outgoing Host)
- The APEC Funding Criteria (ie, Ranks 1,2 and 3) will no longer be applied.
- Only one Monitoring Report will be required a year for projects under implementation
- Committee and forum members will no longer be required to undertake a Quality Assurance Framework (QAF) assessment for project proposals.
- If a sub-fund is unused two project sessions in a row, BMC will request an amendment to the eligibility criteria.
- Late project proposals will have a week ‘grace period’ after the advertised submission deadline, after which they will be considered withdrawn and in-principle approval revoked.
- Total funding will be allocated 60% to project session 1, and 40% to project session 2.

Funding sources and responsible fora		
Fund	Fora	Funding Criteria
General Project Account	SOM	Senior Officials will approve annual criteria (incoming/outgoing host themes)
ASF General Fund	SOM	The Manila Framework on ECOTECH
TILF	CTI	The Osaka Action Agenda
Connectivity Sub-Fund	SCE*	Existing sub-fund eligibility and terms of reference as applicable.
Energy Efficiency Sub-Fund	EWG	As above
FTAAP and GVCs Sub-Fund	CTI*	As above
Health and Emergency Preparedness Sub-Fund	SCE	As above
Human Security Sub-Fund	SCE	As above
IERG Sub-Fund	SCE*	As above
Mining Sub-Fund	MTF*	As above
MSME Sub-Fund	SMEWG*	As above
RAASR Sub-Fund	EC*	As above
Supply Chain Connectivity Sub-Fund	CTI*	As above

*Already decide eligibility for these funds

New scoring framework	
<p>Supports the Priorities of the APEC Fund to which it is applying Please give a score out of 20 based on your assessment of how well the project addresses the priorities of the fund to which it is applying.</p> <p>Quality Appears Strong Please give a score out of 15 for project quality. APEC considers project quality against the following five criteria:</p> <ul style="list-style-type: none"> • <i>Relevance: this considers why the project is proposed;</i> • <i>Impact: this considers what the project seeks to change;</i> • <i>Effectiveness: this considers how a project will reach its objectives;</i> • <i>Sustainability: this considers whether the benefits are likely to continue after the project is completed;</i> • <i>Efficiency: this considers how a project will be implemented, particularly measuring the outputs (services, goods) against the inputs (cost of resources).</i> <p>Supports My Economy's Priorities Please give a score out of 10 based on how well the project aligns with the APEC priorities of your economy.</p> <p>Supports Capacity Building Please give a score out of 10 based on how well the project supports APEC's Capacity Building Objectives, Goals and Operational Principles, which are listed in the APEC Project Guidebook.</p> <p>Supports Cross Fora Collaboration and Benefits to Multiple Economies Please give a score out of 5 based on whether there is broad support for the project, including cross fora collaboration. Please consider how well the project will benefit multiple members and the region as a whole.</p>	

What is staying the same?



- Funding will still be delivered across 2 project sessions a year.
- No limit to the number of concept notes an economy or committee/forum may submit or propose.
- Fora will still endorse the concept notes from within their groups.
- Each economy will still have an opportunity to score every eligible concept note in the scoring process.
- BMC will continue to provide the final approval, or will refer to SOM for projects over \$200,000.
- The Concept Note and Project Proposal templates will remain largely unchanged.

What next?



- A new edition of the Guidebook on APEC Projects, and the new APEC Scoring Template, is likely released in October.
- Information guides about the new project selection model will be released on the APEC projects pages of www.apec.org after SOM3
- Project-related content on www.apec.org that needs to be amended will be done so from October, and in the lead-up to Project Session 1, 2018.
- PMU Training has been updated to address the new project selection model and management changes.

If you have questions, please contact PMU directly, or through your Program Director.

- Program Directors: <http://www.apec.org/contactus/APECSecretariat.aspx>
- PMU Program Director, Daniel Simson: ds@apec.org



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/007

Agenda Item: 7

Governance Improvements for a More Effective APEC

Purpose: Information

Submitted by: APEC Secretariat

Forum Doc. No.: 2017/SOM2/002



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

EXECUTIVE SUMMARY

APEC's agenda and structure has expanded considerably since its establishment in 1989, which is reflected in the large number of APEC sub-fora that report directly or indirectly to Senior Officials. Furthermore, current governance mechanisms do not always provide senior officials with sufficient visibility or oversight of the work programs or the achievements of many of these sub-fora. This creates risks of overlapping mandates and lack of accountability.

There is a need to improve the governance of sub-fora by more rigorously applying existing instructions and instituting a small number of new reforms. This proposal outlines three areas of APEC sub-fora reforms for SOM endorsement:

1) *Monitoring and enforcing quorum across all sub-fora.*

Recommend that the SOM agree: that a quorum constitute attendees from 14 economies, unless an alternative quorum size is agreed to; that the Secretariat monitor and report on sub-fora quorums; and that procedures be put in place for sub-fora not reaching quorum at two consecutive meetings. In addition, for sub-fora that are due to be discontinued, the Secretariat would assist in developing a communication plan on how the mandate/work would be continued through other sub-fora.

2) *Adopting and enforcing a consistent approach to the operation of sunset clauses across all sub-fora.*

Recommend that the SOM agree: to rigorously apply existing instructions on applying sunset clauses (including that the Secretariat report to SOM on whether a sub-fora, or subsidiary bodies, have met the requirements for a sunset clause); to standardise/incorporate sunset clauses in sub-fora Terms of References; and to undertake stringent use of sunset clauses unless directed otherwise by Senior Officials. In addition, for sub-fora that are due to be discontinued, the Secretariat would assist in developing a communication plan on how the mandate/work would be continued through other sub-fora.

3) *New instructions for the governance of Friends of the Chair.*

Recommend that the SOM agree: to establishing FotCs on an as needs basis at the discretion of the Chair of the relevant Committee where work is unable to be undertaken within an existing committee; that FotC have Terms of References, or Work Plans, which include sunset clauses, and which define its relationship to other sub-fora; and that FotCs dissolve at the end of Chair's Term, unless directed to continue. In addition, it is also recommended that SOM instruct the Secretariat to conduct an audit of FoTCs groups to allow SOM to determine whether any should either be merged with other fora or discontinued.

Required Action/Decision Points

It is recommended that Senior Officials:

1. Agree to implement three areas (sub-fora quorums, sunset clauses and FotC establishment guidelines) to improve APEC sub-fora governance.

Governance improvements for a more effective APEC Proposal from Australia for consideration at SOM 2 2017

Current arrangements

APEC's agenda and structure has expanded considerably since its establishment in 1989. This is reflected in the large number of APEC sub-fora¹ that report directly or indirectly to Senior Officials (see attached table).

Current governance mechanisms do not always provide Senior Officials with sufficient visibility or oversight of the work programs or the achievements of many of these sub-fora. This creates risks of overlapping mandates and lack of accountability. These difficulties are exacerbated by a lack of consistency in governance arrangements across sub-fora.

Reflecting on the discussion at SOM3 (2016), Australia believes that there is an appetite to improve the governance of sub-fora by more rigorously applying existing instructions and instituting a small number of new reforms. This paper has been revised since the discussion at SOM1 (2017), and has incorporated a range of views from economies.

Australia proposes a package of reforms for discussion with three elements:

- a) monitoring and enforcing quorum across all sub-fora; b) adopting and enforcing a consistent approach to the operation of sunset clauses across all sub-fora; and
- c) new instructions for the governance of Friends of the Chair.

Quorum

Establish an unambiguous rule on quorum, building on reform work to date (see Table 1), and enforce. Since 2005, only two sub-fora have been dissolved due to lack of quorum. We specifically propose:

- that SOM agree that a quorum constitute attendees from 14 economies, unless an alternative quorum size is specified in the sub-forum's Terms of Reference, and approved by SOM
- that SOM mandate the Secretariat to closely monitor attendance at all sub-fora
- that the Secretariat report annually to SOM on any sub-forum which does not achieve a quorum at two consecutive meetings
- that any sub-forum which fails to achieve a quorum at two consecutive meetings will be referred to Senior Officials for a decision on whether it should continue to exist
- that for sub-fora that are due to dissolve, the Secretariat will help to facilitate discussions with other relevant sub-fora on the potential to merge or transfer responsibilities
- that the Secretariat will work with the Chairs of sub-fora that are due to dissolve on a communications plan that will highlight the achievements of the group and if and how APEC will continue work through other sub-fora.

¹ Around 52 sub-fora are identified in the APEC structure at www.apec.org. This count does not include the network of subsidiary bodies that are associated with the SCE Working Groups, or the CTI Sub-Committees. Counting these sub-fora increases the count to 82.

To allow new groups some additional flexibility in establishing their agenda and building support, we propose that the quorum rule not apply to groups in the first one or two years of operation.

Sunset clauses

More rigorously apply existing instructions, detailed in Table 1, regarding the application of sunset clauses, specifically:

- that the Secretariat examine the Terms of Reference of all sub-fora (including subsidiary bodies) and report to SOM on whether or not the requirement for a sunset clause is met
- where sunset clauses are absent, Senior Officials instruct the sub-fora in question to immediately incorporate a sunset clause, which will ordinarily be four years in duration (two years for Task Forces)
- progressively standardise all existing sunset clause durations where they differ from four years (two years for Task Forces)
- that sub-fora will cease to exist upon reaching the 'sunset date' unless renewal is explicitly approved by Senior Officials
- that for sub-fora that are due to dissolve, the Secretariat will help to facilitate discussions with other relevant sub-fora on the potential to merge or transfer responsibilities
- that the Secretariat will work with the Chairs of sub-fora that are due to dissolve on a communications plan that will highlight the achievements of the group and if and how APEC will continue work through other sub-fora.

Friends of the Chair (FoTC)

At present, the operation of FoTC are largely outside the existing governance frameworks. It is recommended that SOM instruct the APEC Secretariat to conduct an audit to allow SOM to determine if any of the existing FotC groups should either be merged with other fora or discontinued (due to overlapping mandates). There should be a moratorium on the creation of any new FotC until this audit is completed.

In addition, the following new instructions are proposed:

- that FoTC can only be established with the agreement of the Chair of the relevant Committee (SOM, CTI, EC, SCE, SFOM and BMC)
- that FoTC be established, on an as-needs basis at the discretion of the Chair, where work cannot be undertaken within the existing committee structure, due to the sensitive or highly technical nature of the issue, or time pressures
- that FoTC have Terms of Reference, or Work Plans, setting out the mandate of the FoTC and how it's work relates to other relevant APEC sub-fora
- that Terms of Reference and Work Plans for FoTC include sunset clauses
- that FoTC automatically dissolve upon with the expiration of the term of the Chair of the relevant Committee, unless the incoming Chair explicitly requests that they continue.

Table 1

2004		
Reform (extracts)	Document	Ministers' Statement (extracts)
All Working Groups will include sunset clauses in their terms of reference. In addition, fora which do not attract a quorum (to be decided by Senior Officials) at two consecutive meetings will cease to exist.	APEC Reform - Reforms for Immediate Action: 2004/CSOM/025rev1	<i>Ministers welcomed the package of reforms agreed by Senior Officials for immediate implementation. They noted that these reforms contribute towards making APEC more focused and policy-oriented, ensuring that APEC's work responds directly to the instructions of Ministers and Leaders, streamlining meeting arrangements and other processes, improving coordination between fora, and improving dialogue with the business community and other stakeholders, including labour representatives.</i>
2005		
(b) Better Coordination among Sub-Fora/WGs/Task Forces 14 Bearing in mind the importance that the work programs of all sub-fora, WGs and Task Forces remain manageable and relevant to APEC priorities and focused on productive outcomes, and in accordance with the decision outlined in 2004/CSOM/025rev1, FOTC recommends that SOM: (i) instruct all sub-fora, WGs and Task Forces to submit their respective Terms of Reference (TOR) (or to develop such TORs, if they do not currently have them) by SOM III/2006, so that CTI for CTI sub-fora, the SCE for WGs and SOM for SOM Task Forces could review their mandates, and to, henceforth, include a sunset clause in their respective TORs, if they do not currently contain one; and (ii) decide that all sub-fora, WGs and Task Forces should not henceforth attract a quorum of less than 14 members (2/3 of APEC membership) at two consecutive meetings. To this end, Reform FOTC recommends that SOM instruct the APEC Secretariat to collate and monitor the aforementioned information on APEC sub-fora, WGs and Task Forces, including the participation rates of members, and report to CTI, the SCE or SOM respectively. SOM may seek decision at a higher authority as necessary on disbandment of the forum, merger with another forum and/or withdrawal of rights to propose APEC-funded projects upon recommendation of CTI or SCE. As for SOM Task Forces, SOM will be responsible for any merger/abolishment and may submit its recommendations to AMM for endorsement.	FoTC Recommendations on APEC Reform and Financial Sustainability: 2005/SOM3/038.	<i>Ministers endorsed the report on APEC Reform and Financial Sustainability that focuses on three areas: APEC financial reform, higher efficiency through better coordination and continuous reform. They commended the 2005 APEC reform achievements as they contributed to keeping APEC relevant and effective in the rapidly-changing international environment with the adoption of measures that secured financial sustainability, developed a more effective work structure and pursued continuous reform.</i>
2007		
<p>Task Forces: A task force is a short-term group under the auspices of either SOM or an existing APEC forum under the delegated authority of SOM. A task force is mandated for a maximum period of two years.</p> <p>Working Group: A working group is a sectoral-level meeting under the auspices of either SOM or an existing APEC forum under the delegated authority of SOM. A working group has a medium- to long-term agenda. A working group ToR will contain a review clause for a review at least every four years.</p> <p>Guidelines for the development of Terms of Reference for APEC Fora</p> <p>In 2006, the SCE recommended the Secretariat develop guidelines on ToR to ensure all SCE fora have relevant and targeted ToR. The ToR must reflect a clear strategic focus, establish policy criteria, clearly define goals and projected outputs, and include a sunset clause, which identifies a timeline for review.</p> <p>All new APEC fora are to submit their ToR to the SCE for endorsement. Any changes to the ToR of existing fora should also be submitted to the SCE for approval. The following guidelines have been developed to guide fora in developing ToR.</p>	SCE3 Update: Recommendations of the Review of Fora Implementation 2007/SOM3/SCE/016	<i>In this context, we endorsed the new Guidelines for Lead Shepherds/Chairs of APEC Working Groups and SOM Taskforces, and the Guidelines for the establishment of new APEC fora.</i>

<p>The ToR should include:</p> <ol style="list-style-type: none">1. a statement of goals and objectives, which reflect a clear strategic focus;2. an outline of current priorities and projected outputs;3. the structure of the group and working arrangements, including the rotation of the chair (every two years), meeting arrangements (meetings schedules should be minimised and well-timed to ensure relevant participation and consistency with APEC processes), and reporting requirements (annual reporting through the SCE Fora Report or as requested by SOM);4. proposed cooperation/consultation with other APEC fora, the private sector, international financial institutions and other international organisations; and5. a sunset or review clause (after two years for task forces and four years for all other fora). The sunset clause should include a review of achievements against stated objectives and outputs, and consider whether the fora should continue to operate.		
--	--	--

Table of Fora

TABLE: APEC FORA	
Committees	<ul style="list-style-type: none"> • Committee on Trade and Investment • Budget and Management Committee • Economic Committee • SOM Steering Committee on ECOTECH
Working Groups	<ul style="list-style-type: none"> • Agricultural Technical Cooperation • Anti-Corruption and Transparency • Counter Terrorism • Emergency Preparedness • Energy • Experts Group on Illegal Logging and Associated Trade • Health Working Group • Human Resource Development • Ocean and Fisheries • Small and Medium Enterprises • Telecommunications and Information • Tourism • Transportation
FoTC	<ul style="list-style-type: none"> • Connectivity FoTC • Urbanisation FoTC • Corporate Law & Governance • Ease of doing Business • Public Sector governance • Regulatory Reform • Strengthening Economic Legal Infrastructure • Trade Facilitation • FTAAP
Sub-committees/expert groups	<ul style="list-style-type: none"> • Business Mobility Group • Electronic Commerce Steering Group • Group on Services • Investment Experts Group • Intellectual Property Rights • Market Access Group • Sub-Committee on Customs Procedures • Sub-Committee on Standards and Conformance
Policy Partnerships	<ul style="list-style-type: none"> • On Women and the Economy • On Science, Technology and Innovation • On Food Security • High Level Policy Dialogue on Agricultural Biotech
Industry Dialogues	<ul style="list-style-type: none"> • Automotive Dialogue • Chemical Dialogue • Life Science Innovation Forum
Ad-hoc Public-Private Dialogue	<ul style="list-style-type: none"> • APEC Alliance for Supply Chain Connectivity • On Environmental Goods and Services • Chief Science Advisors and Equivalent
Steering Councils	<ul style="list-style-type: none"> • Group of Friends of Disability • Mainstreaming Ocean Related Issues • Travel Facilitation Initiative
Sub-Forum	<ul style="list-style-type: none"> • Competition Policy and Law Group
Special Task Force	<ul style="list-style-type: none"> • Mining • BMC Small Working Group
Ad Hoc Steering Group	<ul style="list-style-type: none"> • Ad-hoc Steering Group on the Internet Economy



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/008
Agenda Item: 10(a)

**Priorities for the APEC Electronic Commerce
Steering Group 2017-2020 Strategic Plan**

Purpose: Information
Submitted by: APEC Secretariat
Forum Doc. No.: 2017/SOM1/ECSG/029



36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017

Priorities for the APEC Electronic Commerce Steering Group 2018-2021 Strategic Plan

Vision Statement

Lead the world as a region which unleashes the potential of the digital and Internet economy and strongly supports an accessible, open, interoperable, secure, reliable, and trusted ICT environment for e-commerce as an essential foundation for economic growth and prosperity.

Mission Statement

The ECSG's work is directed toward enabling economies across all levels of development to be able to utilize Information and Communication Technologies (ICTs) to drive economic growth and social development through e-commerce. To this end, the Electronic Commerce Steering Group (ECSG) promotes the development and use of electronic commerce as part of the Internet, and digital economy by supporting the creation of legal, regulatory and policy environments in the APEC region that are predictable, transparent, and consistent.

The ECSG also facilitates cooperation among its members, fellow APEC fora (such as - TELWG, SMEWG, and CTI), governments, academia, private industry, and regional and international organizations, including, but not limited to, the [EU, OECD, ITU, ESCAP, UNCITRAL and G20] to advance this process.

Priority Areas and Objectives

APEC economies recognize the importance of electronic commerce as part of the Internet, and digital economy to support and enhance business competitiveness, increase MSME participation globally, promote the cross-border flow of information, advance communications services, create efficient economies and facilitate cross-border paperless trade. The Internet, and digital economy allows businesses, especially MSMEs, access to a wider consumer base through new business models. It also helps establishing stronger ties between government, business and consumers/citizens through transparent government services provided through digital means. This creates a truly global market place for the exchange of goods and services. The ECSG will engage with non-APEC economies and multilateral organizations to expand the global Internet and digital economy for the benefit of all member economies irrespective of their development level.

The ECSG is composed of policy officials, experts, and industry representatives who aim to develop an environment that is conducive to e-commerce and encourage active collaboration by:

- Promoting cross-border data flows
- Enhancing MSME competitiveness globally
- Promoting and facilitating the development and uptake of electronic commerce throughout the APEC region by the effective use of secure, resilient, and trusted ICT infrastructure
- Promoting paperless trading

1. **Promoting cross-border data flows:** APEC economies realize that a key part of efforts to improve consumer confidence and ensure the growth of electronic commerce and innovation must be cooperation to promote both effective information privacy protection and the free flow of information in the Asia Pacific region, while respecting domestic laws and regulations, applicable international frameworks for information privacy protection, and strengthening information security in the Asia Pacific region.

- Promote appropriate privacy protections for personal information, particularly from the harmful consequences of unwanted intrusions and the misuse of personal information as outlined in the APEC Privacy Framework;
- Enable global, regional and local organizations that collect, access, use or process data in APEC Economies to develop and implement consistent within their organizations for global access to and use of personal information, including through but not limited to the adoption of the APEC Cross-Border Privacy Rules (CBPR) and Privacy Recognition for Processors (PRP) Systems;
- Assist enforcement agencies in fulfilling their mandate to protect information privacy and cooperate, including through but not limited to the APEC Cross-border Privacy Enforcement Arrangement (CPEA); and
- Advance interoperability with international data transfer mechanisms to promote and enforce information privacy and to maintain the continuity of ~~secure~~ information flows among APEC economies and with their trading partners; and, particularly, promote uninterrupted commercial data flows and strong privacy protections, including through but not limited to the use of the APEC CBPR and PRP Systems;
- Promote policies and frameworks that ensure appropriate privacy protection for personal information, including through interoperable and flexible frameworks, such as the CBPR and PRP Systems;
- Raise awareness among stakeholders and citizens on data privacy issues in the APEC region.

2. **Enhancing MSME competitiveness globally:** APEC member economies realize the enormous potential of electronic commerce to expand business opportunities, reduce costs, increase efficiency, improve the quality of life, and facilitate the greater participation of small business in global commerce.

- Reduce barriers that impede MSME expansion in the Asia-Pacific region by sharing best practices on reducing market access barriers and preferential treatment related to e-commerce and digital trade, access to digital platforms, communications technology, and other digital technologies that allow businesses to compete globally; and
- Establish standards to facilitate e-commerce through streamlined shipments and clearance of goods;
- Work closely with the private sector to assist developing economies gain a greater digital presence through investment and procurement of existing the Internet, and digital economy and e-commerce platforms, such as e-payment systems.

3. Promote and facilitate the development and uptake of electronic commerce, which offers enormous benefits to APEC economies.

- Foster an environment which promotes trust and confidence among electronic commerce participants.
- Adapt policy frameworks to provide well-tailored consumer protections that are essential to building the trust needed to further develop markets for the benefit of consumers and businesses alike.
- Address the potential and challenges that new developments, including big data, the Internet of Things (IoT), e-payment systems, and Fintech pose for electronic commerce.
- Encourage and support innovative solutions for the APEC region, including where this may require launching enhanced data sharing practices between the APEC economies.
- Promote, develop and share best practice of electronic commerce in the APEC region, including through case studies for the benefit of all member economies, aiming at bridging economic divide in the APEC region.
- Discuss the development of a mechanism for measuring the Internet and digital economy development
- Conduct research on dispute resolution mechanisms for e-commerce dispute settlement, in particular for the B2B e-commerce dispute settlement in APEC economies.

4. Promote paperless trading: Implementation of paperless trading and electronic commerce can increase trade efficiency to the maximum extent, enhance competitiveness and improve service means of enterprises and governments, and all participants of trade can benefit from it.

Comment [MR1]: Chair's note: New section proposed by an economy, this text has not been circulated to economies and is up for discussion in its totality by all Member Economies, including the Chair.

JAPAN: To consider collaboration with SCCP?

- Encouraging broader implementation of automated technologies in logistics services and boosting logistics accessibility of all the regions of the APEC economies, including remote and not easily accessible territories.
- Promoting research regarding the transformation of traditional trading activities in the Internet, and digital economy.
- Encourage and support further collaboration between APEC economies to facilitate cross-border e-commerce through paperless trading, including reduction or elimination of paper documents required for customs procedures and in other fields of cross-border trade administration.
- Furthering transparency and reliability of transactions in the field of e-commerce and paperless trading.
- [RUS: Supporting increase in economic feasibility of the foreign currency transactions between the APEC electronic commerce participants, including through employing alternative currencies in the cross-border transactions.]

5. **Cross-Fora Collaboration with APEC TELWG and other relevant fora to facilitate e-commerce through better implementation of ICT infrastructure and advanced technologies:**

APEC economies continue to expand their infrastructure as the workforce and demand for services increases. Through the digital economy and by implementing advanced technologies in an economies' infrastructure the Asia-Pacific region can become a driver of economic growth and social development. The ECSG provides technical expertise as existing infrastructure discussions coincides with the Internet, and digital economy.

- Embrace and support TELWG in technological innovation in urban development and planning to accommodate expanding population and business opportunities;
- Collaborate with industry leaders and TELWG to enable smart city planning to gain benefits from innovation in the digital economy.

Review of Strategic Plan

The ECSG will monitor the implementation of the Strategic Plan. The ECSG will endeavor to undertake new work guided by the Strategic Plan and seek to work across APEC fora collaboratively. The ECSG Strategic Plan will be tabled for endorsement at SOM 1 2018. An annual review of the Strategic Plan will be prepared by the Chair and reported to CTI beginning at SOM I 2019.

Comment [KY2]: CANADA: Specific reference to TEL SPSPG will be most useful.



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSSG/009

Agenda Item: 10(b)

Modernizing the Electronic Commerce Steering Group

Purpose: Consideration
Submitted by: United States



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

Modernizing the Electronic Commerce Steering Group

*Submitted by the United States
Co-sponsors:*

Introduction

The digital economy has long been a central theme throughout a number of APEC fora, including the Committee on Trade and Investment (CTI), the Electronic Commerce Steering Group (ECSG), the Small and Medium Enterprises Working Group (SMEWG), the Ad Hoc Steering Group on the Internet Economy (AHSGIE), and the Telecommunications and Infrastructure Working Group (TELWG). The economic potential of the digital economy, worth \$3.5 trillion and expected to grow at 11 percent over the next 5 years, reflects the rising importance of the digital economy across APEC fora¹. However, while the digital economy is prominent among APEC fora, existing work is largely segmented among groups, limiting effective participation from economies' digital experts.

The current CTI effort “Streamlining, Strengthening and Sharpening (3S) CTI and CTI-subfora” instructs economies to continue to implement the 2014 Ningbo Recommendations. The Ningbo Recommendations encourage economies to monitor and review their work programs and agenda to ensure they remain relevant. CTI’s “3S” effort provides the opportune time to modernize the ECSG through refocusing the mandate to appropriately reflect the importance of digital economy issues to APEC. Importantly, this effort would avoid the establishment of a new sub-forum within APEC, which will avoid impacting the resources of economies and the APEC Secretariat.

Refocusing the Mandate of the Electronic Commerce Steering Group (ECSG)

The ECSG was established in 1999 to implement the 1998 APEC Blueprint for Action on Electronic Commerce. Since that time, the ECSG has undertaken important work to optimize cross-border data flows and privacy through the APEC Privacy Framework, the Cross-Border Privacy Rules (CBPR) System and Privacy Recognition for Processors (PRP) System. However since that time, issues related to the digital economy as they relate to trade, including the importance of cross-border data flows to international commerce, have expanded to become a central priority in the CTI agenda. In fact, the volume of global data flows has grown 45-fold from 2005-2014, faster than international trade or financial flows.² The ECSG’s existing TOR should be updated to ensure appropriate work is coordinated among APEC fora through experts participating in the ECSG. The ECSG TOR has not been updated since its inception in 1999, and there are many outdated references to historic digital concerns – notably the disproved concern over Y2K – and limited references to modern challenges and opportunities for growth in digital trade. By refocusing the ECSG mandate, experts from APEC economies can continue important work addressing regional economic integration in the digital economy.

¹ APEC Policy Support Unit (April 2017) *Facilitating Digital Trade for Inclusive Growth: Key Issues in Promoting Digital Trade in APEC*, 11-12

² McKinsey Global Institute, *Digital Globalization: The New Era of Global Flows*, March 2016.

In addition to the ECSG's work, CTI has undertaken work streams on digital trade and e-commerce, and CTI priority issues such as services and supply chain connectivity include elements related to the digital economy. Additionally, the APEC Policy Support Unit (PSU) has released a key issues paper that addresses several important issues related to the digital economy and trade beyond traditional e-commerce facilitation, including content rights, online services, enabling technology and services, connectivity, and user interfaces.

This year, we also expect the Ad Hoc Steering Group on the Internet Economy (AHSGIE) to conclude the APEC Roadmap for the Internet and Digital Economy. In the ECSG, the Cross-Border E-Commerce Facilitation Framework will focus on emerging and cross-cutting issues in digital trade. During its two years, the AHSGIE has conducted several engagements with the private sector, which attendees have found valuable. Additionally, participants at the CTI Trade Policy Dialogues on Facilitating Digital Trade have called for a formal mechanism to engage stakeholders on these issues. A modernized ECSG will be useful in carrying forth the related components of the Roadmap and provide a mechanism to formalize engagement with the private sector on these important issues.

Recommendation

In line with the CTI 3S initiative and 2014 Ningbo Recommendations, SOM/CTI instructs the ESCG to expand its mandate through amending its 1999 Terms of Reference (ToR). The revision should include:

- Current issues relevant to the digital economy and trade, as well as ensure that it is able to carry out relevant parts of the AHSGIE Roadmap for the Internet and Digital Economy, E-Commerce Facilitation Framework, and other issues identified by SOM and CTI as relevant to the ECSG agenda;
- renaming the group to the *Digital Economy Working Group*;
- a review of the group's mandate every two years to ensure that it remains relevant to APEC's current agenda;
- institute formalized private sector engagement as part of a working group meeting at least once a year; and
- maintain the current work and structure of the Data Privacy Subgroup such as advancing the APEC Privacy Framework, the Cross-Border Privacy Rules System, and the Privacy Recognition for Processors System. This group will continue in its present form and report to the reconstituted digital group on privacy matters.



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/010

Agenda Item: 10(c)

**Proposals from Russia on the Future of the ECSG,
Based on the Analysis of Its 2009 Terms of
Reference**

Purpose: Consideration

Submitted by: Russia



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

**Proposals from the Russian Federation on the future of the
Electronic Commerce Steering Group (ECSG) of the Asia-Pacific Economic Cooperation
(APEC) Forum, based on the analysis of its 2009 Terms of Reference**

The issue of the need for updating of the ECSG principles and activities was firstly raised in 2015. In August 2015, the Russian Federation was the first economy to support ECSG Chair Mr. Ted Dean who proposed to formulate the ECSG Strategic Action Plan. The Russian Federation expressed its readiness to work actively on the drawing up such a plan, applying the experience of the development of the Strategic Action Plan of the Telecommunications and Information Working Group (TELWG), where all the economies participating in the TELWG took an active part, and which showed its efficiency [Doc. 2015/SOM3/ECSG/SUM].

Subsequently, during 34th and 35th ECSG meetings, the Russian Federation presented proposals on possible ECSG action lines [Documents 2016/SOM3/ECSG/018 and 2017/SOM1/ECSG/010] to identify possible areas of future ECSG activities and its Data Privacy Subgroup (DPS) and Paperless Trade Subgroup (PTS). Also, the Russian Federation jointly with the United States developed the first draft of the ECSG Strategic Action Plan for 2018-2021 [Doc. 2017/SOM1/ECSG/029].

During the 35th ECSG meeting held from 22 to 26 February 2017 in Nha Trang (Viet Nam) with the assistance of the APEC Secretariat, the current ECSG Chair, Ms. Shannon Coe, invited the Russian Federation and other APEC economies to participate in the discussion of possible edits of ECSG Terms of Reference (ToR) adopted by the participants in 2009.

Taking into account ongoing discussions at ECSG and the Committee on Trade and Investment (CTI) levels, the Russian Federation reviewed the 2009 ECSG ToR. The Russian Federation considers it appropriate to draw the attention of the ECSG participants to the need to explore the following aspects when drafting the updated ECSG ToR:

1) It seems reasonable to completely revise the text of the 2009 ToR due to its complete inconsistency with the current ECSG activities, identifying that the main task of ECSG is the development of projects in the field of e-commerce and digital trade in the APEC region, in particular, protection of personal data, as well as sharing of experience and cooperation between ECSG participants on this matter. It is necessary to identify the role of ECSG in the implementation of the APEC Digital and Internet Economy Roadmap and the Framework on Cross-border e-commerce facilitation that are being developed, by identifying responsibilities between the various APEC fora, primarily to avoid duplication of the TELWG work. The goals and objectives of ECSG should be aligned with the main provisions of the two documents mentioned above.

2) It seems reasonable to emphasize that the ECSG mandate should not go beyond the scope of activities in the field of e-commerce and digital trade. The area of ECSG responsibility and activity in the APEC should be separately identified, based on proposals in documents on ECSG possible action lines [Docs 2016/SOM3/ECSG/018 and 2017/SOM1/ECSG/010] and ECSG Strategic Action Plan for 2018-2021 [Doc. 2017/SOM1/ECSG/029]. At the same time, it should be underlined that the ECSG activities shall not duplicate the activities of other APEC fora, in particular, TELWG.

3) It seems reasonable to elaborate the ECSG management mechanism and determine the responsibilities of the Chair and Vice-Chair of ECSG, indicating the procedure for delegation of powers from the Chair to the Vice-Chair. It is also necessary to indicate the terms for the ECSG Chair and Vice-Chair duties and the procedure for interaction between them and the Chair and Vice-Chair of the Data Privacy Subgroup (DPS) during meetings and during the intersessional period. The absence of the certain procedure may result in infringement of the established tenure of the Chair and Vice-Chair duties (not more than two years). It is necessary to limit delegating the chairmanship powers of one economy up to four consecutive meetings to comply with the equality principles of the APEC.

4) It seems reasonable to identify the structure of ECSG by providing information on the goals and responsibilities of DPS.

5) It seems reasonable to determine the list of ECSG working methods, indicating the main principles of work during meetings and during the intersessional period. Particular attention should be paid to the project implementation procedure, as well as the document summation deadlines and procedure. The procedure for the development and implementation of the annual ECSG and DPS work plans and the ECSG Strategic Plans should be established. It seems appropriate to also indicate the procedure of ECSG cooperation with other APEC fora and the procedure for reporting of ECSG to CTI. The mechanism for revision of the ECSG ToR at least every four years should be identified, emphasizing the need for the approval of the ECSG Mandate at the CTI level.



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSSG/011
Agenda Item: 11(a)(iii)

APEC Secondary Use Project – Update Report August 2017

Purpose: Information
Submitted by: United States



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

APEC Secondary Use Project – Update Report August 2017

Project Update

Senior Officials endorsed work in 2016 directed towards establishing a framework to facilitate the secondary use of medical data used for research purposes. ECSG and LSIF are jointly undertaking work to examine the benefits for health research from the secondary use of medical data, to evaluate the impact of policies affecting secondary use and to generate recommendations on a framework to facilitate the secondary use of historical data in medical research.

The scope and pace of health insights revealed through analysis of the expanding range of available data has increased rapidly over the last five years, meaning that many different data sources can be aggregated and processed rapidly with great precision, and that often surprising clinically significant outcomes can be revealed. This change creates an opportunity which policy makers should seek to use in expanding our understanding of health treatment options.

Prior to SOM1, the LSIF Secretariat and ICC consulted some interested member economy representatives, in particular Canada, Australia and the United States to identify issues and priorities relevant to this work. After this consultation, the LSIF Secretariat/ICC has devoted more time and attention to researching the current state of secondary use, the evolving state of technological innovation in creating new or additional benefits from research of secondary data, and exploring some of the issues affecting secondary use.

A consequence of the research is that the project needs to obtain more detailed insight into how regulatory systems in APEC economies govern medical data sharing and ethical review, as a way of developing key elements of the framework including core principles for responsible data sharing, mechanisms and tools for facilitating secondary use and a description of how proposed “libraries of use based models” would function. At the same time, advances continue to be made in the fundamental information technologies applied to medical data for research that will affect the structure of an eventual framework.

Part A of this report presents a summary of the research on the state of technology and the benefits of secondary use. It describes some recent innovations in the application of new software technologies to biomedical research and the implications for secondary use.

Part B of this report outlines some of the interactions between secondary use and other public policies, including the variety of mechanisms governing protection of personally identifiable information.

Part C proposes a list of questions that will help guide the development of elements to include in the framework.

Recommendations:

We recommend that LSIF and ECSG

- a) Take note of document 2017/SOM3/ECSG/011;
- b) Agree that the LSIF Secretariat and ICC will circulate the list of questions to economies to seek their input by December 15 in order to develop a recommended framework for facilitating secondary use;

Encourage economies to participate in virtual consultations intersessionally with the objective of producing a draft framework by SOM1 2018.

Part A

The Benefits of Information Technologies for Creating Insight from the Secondary Use of Health Data

Health treatment options rely upon the production and analysis of data. Clinical information about individuals – vital signs, diagnostic images, self-reporting, and pathology – is the critical input from which decisions are made for diagnosis, treatment and care. In many respects medicine is among the first of the true data sciences.

Like other sectors, the healthcare sector is being transformed by the exponential expansion in the availability of health-related data and the dramatic reduction in the costs of creating, processing, storing, analyzing and acting upon that data. The explosion of data analysis capability when applied to health can mean exponential growth in potential insights into disease conditions, indications towards treatment, more efficient clinical trials, and testing of potential treatment options.

The benefits of current information technologies being applied to health data mean policy makers have every incentive to examine the pathways for the use of health-related data and seek to ensure that data can be mobilized for research. One of the principal methods for enlarging the data set necessary for analytic insight is the “secondary use” of data – analysis of data directed towards gaining insight related to but separate from the original clinical treatment or research purpose of the data’s original collection.

Secondary Use of Medical Data

What do we mean by the secondary use of medical data? There are numerous examples already in evidence of data collected about individuals being used for purposes other than the original purpose of collection. The American Medical Informatics Association (AMIA) developed a taxonomy that defines the list of secondary uses of historical data:

- Protect and enhance public health
- Develop security and confidentiality algorithms and test de-identification routines
- Conduct research
- Create and maintain terminology and representation formalisms
- Develop and apply decision support for health care providers
- Support quality of patient care
- Improve patient safety
- Manage personal health
- Educate and credential healthcare providers and assess training activities (e.g. types and outcomes of procedures)
- Analyze and Manage Finances
 - Detect fraud and illicit activity
 - Identify markets and promote sales

This taxonomy is comprehensive, encompassing all potential uses of medical data. For the purposes of this proposed framework we are only considering the potential cases of secondary use for research purposes.

By prioritizing the expansion of data availability at the frontier of both data and medical science it will be possible to generate insights that expand the potential for treatment of disease conditions.

The Opportunity – benefits of secondary analysis in research

Understanding that individual health information is a category specifically protected in most jurisdictions, there are major benefits from sharing data not only within but between institutions. Because there are major public and private benefits from sharing, as well as specific risks from the potential disclosure of personally identifiable data, a responsible approach which facilitates the benefits while mitigating risks is required.

APEC Secondary Use Project – Update Report August 2017

It is useful to set out the potential benefits and opportunities of applying current and emerging information technologies to ever larger sets of medical information. Including simply those areas where there is a research benefit, the following are areas of potential benefit.

- correlative analysis and insights into treatment. Because of the expansion of data analytics capability and techniques, many more potential health variables can be cross-analyzed for relationships, yielding potential clues for further research, treatment or clinical trials.
- Evaluate patterns of use outcomes of treatment. Secondary analysis can be superior to standard clinical trial studies in assessing the effectiveness of treatments (ie, taking into account population level analysis of the subsequent health of patients receiving a certain treatment), controlling for impacts of other health variables, and identifying the prevalence of rarer adverse events than are possible in primary studies.
- adjunct to trials, better tracking of effects across conditions. The reduction in costs associated with gathering and storing granular data of trial participants, big data/analytics can act as a useful adjunct to a clinical trial, enabling more precise insight into the benefits and potential side effects of therapies under treatment, at earlier phases of trials.
- precision medicine. Similar to the benefits for trials, cheaper, more granular and structured capabilities for gathering data on patients during a course of treatment can yield insight that can help refine the treatment at a patient level and, at large enough aggregations, provide insights into population level effects that are also fruitful avenues for further research.
- Lower costs of obtaining insights into the influence of related variables. (For example, secondary analysis is a more cost-effective process for identifying the correlation between manual occupations and spinal degeneration, compared to a broader population set, than conducting such a primary study).
- public health research and modeling. Cross-analysis of health data with other demographic, geographic, historical epidemiological and social media reporting can, through machine learning techniques, develop improved accuracy in forecasting risks of major disease events (such as periodic influenza outbreaks). The insights yielded from research can assist policy makers to target health communication efforts, plan for high impact events, and allocate health care funding.

Technologies Enabling Benefits from Secondary Use

Some of the innovations in information technology now being applied to health are not new. However, they have benefited from the dramatic reduction in cost and expansion of scale enabled by investment in fundamental technologies such as cloud computing. In other areas, recent breakthroughs are enabling new approaches to the analysis of data. Some of the foundational technologies for contemporary analysis of health information include:

- big data/analytics – algorithmic processing of large data sets can yield insight into relationships between large numbers of seemingly unrelated variables. Critical inputs to analytics are data sort functions and the consistency of data. Data consistency and language diversity within a jurisdiction are seen as barriers to secondary analysis. However, these are issues of technology, budget and processing capability, and are not insurmountable.
- natural language processing - NLP is the application of computing power to unstructured data – eg, medical narratives from clinician files – into structured data (eg, standardized reporting of repeated instances of particular health conditions). Broader application of NLP to electronic health records could dramatically expand the scope of potential data available for research.
- machine learning/deep learning – unlike algorithmic processing, ML is the application of newer techniques of automation of analytical model building to enable algorithms to be applied to data emerging from the repeated analysis of data. Over time and exposure to an ever growing data set, analysis using ML techniques refines and improves the algorithm and the insights from the analysis.

Case Study: Machine Learning and Mortality Prediction

Current prognostic models are restricted to only a handful of variables, because humans must enter and tally the scores. But data could instead be drawn directly from EHRs or claims databases, allowing models to use thousands of rich predictor variables. Does doing so lead to better predictions? Early evidence from ... ongoing work, using machine learning to predict death in patients with metastatic cancer, provides some indication: we can precisely identify large patient subgroups with mortality rates approaching 100% and others with rates as low as 10%. Predictions are driven by fine grained information cutting across multiple organ systems: infections, uncontrolled symptoms, wheelchair use, and more. Better estimates could transform advance care planning for patients with serious illnesses”

<http://catalyst.nejm.org/big-data-machine-learning-clinical-medicine/>

Each of these computing techniques enables clinical researchers to identify correlations in data, test potential clinical interventions in response to the data, and yields insight into potentially improved interventions at a scale and speed previously impossible.

Part B

Addressing key issues in optimizing the benefits of secondary use with the protection of other equities

The benefits of more health information, analyzed using newer and more innovative techniques, has clear potential benefits both as a way to yield insight from research but also to guide future medical treatment and intervention at a clinical and population level. In addition, the growth of internet technologies is creating communities of researchers working on similar or related topics across national borders. The potential efficiency gains, as well as gains from cross-national research collaboration in medical research are substantial.

At the same time, health data, being, at their core, personal data, are protected very specifically by most national jurisdictions. Privacy regimes that facilitate health data sharing within jurisdictions are often complex. The concept of ethical review is embedded in the governance of biomedical research, and performs its function in preventing potential harm from exposure of personally identifiable information. However, ethical review is often governed at an economy-wide national level and the capacity to extend the reach of ethical agreement between data collectors and potential researchers is inhibited, often, by national laws.

Existing models for cross-border data sharing were designed to facilitate exchange of information as a business input and often do not account for economy-level level protections of health information. At the same time, there are numerous common elements of authorization for national health information data collection. These include:

- Principle of informed consent for data collection
- Right of withdrawal of consent or limitation on use
- Provision of information subject to ethical review
- Appropriate measures to protect data against unauthorized use, access, theft or loss.

Implementation of open access policies is a further factor that affects efforts to reconcile the benefits of secondary use with protection of personal information. With the increasing benefit of broader collaboration for health research, articulating ways that the common elements of authorization for data collection and use may be able to be used as an input to creating the proposed library of use based models for facilitating broader collaboration for medical research.

The role of technology in addressing privacy risk

At the same time as technologies for the creation of health insight from data are gaining in power and efficacy, technologies for the protection of personally identifiable information in the context of large data sets are also advancing in ways that can protect the interests of citizens providing data for clinical treatment, clinical trials and research.

Recent developments in technologies enabling better personal data protection, including “privacy by design” technologies and “differential privacy” are being integrated into the way data sets are stored, shared and analyzed, creating scope for realizing the benefits of health analysis while mitigating to a much greater extent potential risks to other important equities such as personal data protection.

As APEC economies examine how best to facilitate data sharing for secondary use, it will be important to include an examination of how technological advancement in protecting PII can mitigate risks to individual privacy from broader sharing of health data beyond the original purpose of its collection.

APEC Secondary Use Project – Update Report August 2017

Part C

Because the library of use-based models will be specific to each economy, with arrangements for governance of data and processes for ethical review clearance varying among APEC members, it will be necessary to establish how policy and regulation establishes parameters for data sharing for secondary use.

The intention of the following questionnaire is to gain an insight into the specific conditions in each economy, identify common elements and key differences to ensure that the framework's concept of a library of use based models is consistent where regulations are consistent while allowing for differences in approach specific to each economy's regulatory structure.

Questions for Economies

1. Is there legislation in your economy specifically governing the secondary use of medical data with appropriate protections?
2. If the answer to Question 1 is "NO", what provisions of law govern health information sharing?
3. Are there specific legal limits on the transfer, processing and storage of personal health information?
4. Are there intra-national (eg, federal-state) agreements for medical data sharing?
5. Are private contracts permitted to enable data sharing?
6. Are other forms of legal arrangements permitted to facilitate health information sharing?
7. Are there specific security requirements for health information?
8. Are technologies for de-identification or anonymization specifically required or authorized by law if health data is to be shared beyond its initial purpose?
9. How are research ethical review/institutional review board processes governed?
10. Are such processes governed by domestic law, by professional body codes, or at the level of each specific institution, or some combination?



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/012

Agenda Item: 11(a)(v)

**Approved APEC Project Proposal: Seminar on
Capacity Building for Compliance with Cross-Border
Privacy Rules System in APEC**

Purpose: Information
Submitted by: APEC Secretariat



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

APEC Project Proposal

Project title and number:	CTI 10 2017T (ECSG) – Seminar on “Capacity-Building for Compliance with Cross-Border Privacy Rules System in APEC.”		
Source of funds (Select one):	<input type="checkbox"/> General Project Account <input checked="" type="checkbox"/> TILF Special Account <input type="checkbox"/> APEC Support Fund		
APEC forum:	ECSG		
Proposing APEC economy:	Chinese Taipei		
Co-sponsoring economies:	Australia; Japan; Korea; Mexico; Thailand; United States and Viet Nam		
Expected start date:	June 2017		
Expected completion date:	December 2018		
Project summary: Describe the project in under 150 words. Your summary should include the project topic, goals, planned activities, timing and location: <i>(Summary must be no longer than the box provided. Cover sheet must fit on one page)</i>	The 2016 APEC Leaders' Declaration and AMM Joint Statement both recognize the importance of the APEC Cross Border Privacy Rules (CBPR) System and support strengthening cooperation and capacity building in this area. This project builds upon progress made in the “Readiness for CBPR System in APEC” workshop held in Viet Nam last October, and seeks to enhance the capacity of APEC Economies to participate in the CBPR System and promote discussion of its certification program. The project will focus on the following key elements: The roles played by the Designated APEC Government Delegate, the Privacy Enforcement Authority, and the Accountability Agent, as well as looking at the collaboration framework between APEC ECSG, JOP, and APEC Economies. Through this seminar, to be held in Oct. 2nd 2017 in Chinese Taipei, participants can share experiences on how CBPR implementation affects privacy protection, and discuss how different types of regulatory environments can facilitate cross-border privacy protection.		
Summary of Proposed Budget (USD) :	APEC funding	Self-funding	Total
	80,000	80,000	160,000

Project Overseer Information and Declaration:

Name: Wen-Cheng Ke

Title: Deputy Director

Organization: Multilateral Trade Affairs Division,
Bureau of Foreign Trade, Ministry of Economic Affairs.

Postal address: 1, Hu Kou Street, Taipei, 10066

Tel: 886-2-23977223

E-mail: wcke@trade.gov.tw

As Project Overseer and on behalf of the above said Organization, I declare that this submission was prepared in accordance with the **Guidebook on APEC Projects** and any ensuing project will comply with said Guidebook. Failure to do so may result in the BMC denying or revoking funding and/or project approval. I understand that any funds approved are granted on the basis of the information in the document's budget table, in the case of any inconsistencies within the document.

Name of Project Overseer / Date

Project Details

SECTION A: Relevance to APEC

[Answers to questions 1–3 may be taken or adapted from the Concept Note]

1. **Relevance:** What problem or opportunity will the project address and why is it important? How will the project benefit APEC members and the region? Which Rank on this year's APEC Funding Criteria does this project fall under? Briefly explain why. Is it also linked to other Ranks? If so, which topics and how? [*½ page*]

Data can now be transferred around the world instantaneously, making the global marketplace seem almost borderless. In 2012, cross-border e-commerce sales reached \$300 billion. By 2015, growth in sales had already reached \$1.4 trillion. Although multi-channel retailers have been presented with limitless business opportunities for international expansion, many challenges have arisen. In so far as privacy protection is concerned, the divergence in regulatory requirements and practices across different APEC Member Economies becomes a critical issue for the development and growth of digital trade in the APEC region. In responding to the issue, the APEC Cross Border Privacy Rules (CBPR) System – a voluntary mechanism to facilitate privacy-respecting data flows among APEC Economies – was endorsed by APEC Leaders in 2011.

As such, the project seeks to improve the facilitation of digital trade across APEC by intensifying the discussion of the benefits and challenges in creating a harmonized APEC Privacy Framework for data privacy policies underpinned by the CBPR system. The benefits will be APEC-wide; when consumer protection is better enhanced, all businesses involved or are considering participating in digital trade will also benefit.

This project corresponds to Rank 1 of the "Funding Criteria for All APEC-Funded Projects in 2017," as it promotes regional economic integration via free and open trade and investment. In addition, the project relates directly to the promotion of e-commerce and digital trade, which is also a Rank 1 item.

2. **Objectives:** Describe the 2-3 key objectives of the project. (e.g. to ensure workshop participants will be able to...; to create a framework...; to develop recommendations...; to build support...; to revise strategies...; to create an action plan; ...improve capacity in; etc.) [*¼ page*]

The purpose of the project is to advance work on the discussion and promotion of participation in the CBPR System. By sharing experiences in adhering to and implementing the CPBR System, it enables APEC Economies to better understand benefits and challenges of participating in the System.

The overall objectives of this project are:

- Enhance the awareness and understanding of the framework and operation of the CBPR System, as well as the values and challenges for promoting readiness to participate. The topics of discussions will include the roles played by the Designated APEC Government Delegate, the Privacy Enforcement Authority (PEA), and the Accountability Agent (AA), as well as the collaboration framework between APEC ECSG, JOP, and APEC Member Economies.
- Discuss the capacity building needs of APEC Developing Economies whose legal frameworks and institutional organization have compliancy issues with the CBPR System, with special attention paid to areas like the certification program and the criteria and qualifications for Accountability Agents.
- Develop recommendations on capacity building activities for compliance with Cross-Border Privacy Rules System.

3. **Alignment:** Describe specific APEC priorities, goals, strategies, workplans and statements that the project supports, and explain how the project will help achieve them. Explain how it is aligned with your forum's workplan / strategic plan. [*less than ½ page*]

In the 2016 APEC Leaders' Declaration, Leaders recognized the importance of implementing the APEC CBPR System, a voluntary mechanism whose participants seek to increase the number of Economies, companies, and Accountability Agents that participate in the CBPR System. In addition, in the 2016 AMM Joint Statement, Ministers recognized the significance of the APEC CBPR System and APEC Ministers support the strengthening of cooperation in this area and the promotion of capacity building.

In the 2016 APEC Services Competitiveness Roadmap, it is recognized that collaboration is an effective way to respond to the rapid development of internet-based technologies as well as promote a regulatory approach that provides appropriate prudential oversight, legitimate consumer and security protections.

This project focuses on capacity building for APEC Member Economies who hope to participate in the CBPR System and promote discussion on the CBPR System certification program. Most importantly, the project will identify ways in which APEC Economies can enhance cooperation on the CBPR System.

The project helps to fulfill the Electronic Commerce Steering Group (ECSG) objectives as followed:

- Promote the development and use of electronic commerce by supporting the creation of legal, regulatory and policy environments in the APEC region that are predictable, transparent and consistent.
- Provide assistance and guidance to Member Economies as required under the implementation of the APEC CBPR and PRP System subject to ECSG data privacy sub-group work plan for 2017.

4. **For TILF Special Account applications: Briefly describe how the project will contribute to APEC trade and investment liberalization and facilitation with reference to specific parts of the Osaka Action Agenda (Part 1, Section C and, where appropriate, Part 2).**
For APEC Support Fund applications: Briefly describe how the project will support the capacity building needs of APEC developing economies, and how they will be engaged. [$\frac{1}{4}$ page]

The project is deemed as a prominent contribution to trade and investment facilitation by Chinese Taipei, and therefore we seek funding support from TILF. Recognized by WTO, e-commerce is understood to mean the production, distribution, marketing, sale or delivery of goods and services by electronic means. The data flow has been transferred locally toward more globally owing to the improvement of information and communication technologies. In the digital trade era, cross-border data flow is inevitable and brings about many issues in terms of trade facilitation with the promotion of e-commerce. One of the salient issues is the impediments of complying with diversified data transfer regulations and privacy protection laws in the APEC region. In response, in 2011 APEC endorsed the CBPR System, which has been established with the expectation to promote the cross-border personal data flow while ensure the protection of privacy. The participants to the APEC CBPR system, the private companies in the APEC region, will be benefited by enhancing the abilities to provide customers with high-level personal information protection service, which can accumulate the market confidences to cross-border data flow and lower the uncertainty of non-conformity to certain regulations. To communicate the importance of CBPR System with APEC Member Economies and to promote Member Economies' abilities to participate in the CBPR System are in line with the Osaka Action Agenda to promote trade in service. Specifically to the Agenda's recognition to the role that ecommerce plays in the supply and consumption of services. (Part 1, Section C, 3. Services). This project, therefore, with the objectives of enhancing the awareness and understanding of the framework and operation of the CBPR System, will contribute to APEC trade and investment liberalization and facilitation.

SECTION B: Project Impact

5. **Outputs: Describe products or services that the project will create. This may include workshop, reports, tools, research papers, recommendations, best practices, action plans etc. [$\frac{1}{2}$ to $\frac{3}{4}$ page]**

The Seminar will act as a platform for participants to share and discuss the main segments of the CBPR System, including Accountability Agents (AA), certified companies, and Privacy Enforcement Agents (PEAs). The Seminar will also provide the opportunity for APEC Member Economies/participants to share their experience and concerns about joining the CBPR System. The Seminar's Agenda will be designed to make sure it addresses the concerns of APEC Member Economies and participants. For the benefit of all participants, experts from Member Economies, international organizations, AA as well as representatives from business will be selected to present and share their views. During the Seminar, all the speakers and participants will have the chance to discuss and present their views on how to facilitate cross-border privacy

protection. After the Seminar, a summary report, including recommendations on capacity building activities for compliance with CBPR, will be made and circulated to all the speakers and participants as well as delivered to CTI and other APEC relevant committees and working groups for further discussion.

6. **Outcomes:** Describe the specific changes the outputs are expected to achieve in the medium-term. What changes in policy, processes or behaviour will the project lead to? [*½ to ¾ page*]

Throughout the seminar, participating APEC Member Economies can obtain comprehensive knowledge about the CBPR System. In the medium and long term, it is expected to bring about positive changes to the policy, regulation implementation, and business practices of APEC Member Economies. For example, APEC Member Economies can promote and protect trade and investment through cross-border data flows adopted by APEC. This change is expected to take place gradually rather than immediately.

7. **Beneficiaries:** Who are the direct project participants and users of the outputs? Describe their qualifications, level of expertise, roles/level of responsibility, gender, economies represented, government departments, APEC fora involvement etc.. Explain how they will use and benefit from the outputs. Who else will benefit from the project and how? [*½ to ¾ page*]

Direct beneficiaries are seminar participants, including APEC Economies' delegates and private sector representatives in APEC Economies. Seminar participants will learn and discuss best practices for joining and promoting the CBPR System. For private sector participants, this will offer more opportunities to increase their awareness about protecting cross-border personal data, and how this will impact their business.

Participants will also explore how existing policies might be improved to address the difficulties faced by joining and implementing the CBPR System, and how to facilitate the regulatory and policy environments regarding cross-border privacy protection. These outcomes will also be shared with other relevant APEC fora, including AHSGIE and CTI, contributing to discussions in these fora.

Since the Seminar will produce a summary report, non-attendees will also have the opportunity to learn from the best practices and other information discussed at the Seminar.

8. **Dissemination:** Describe plans to disseminate results and/or outputs of the project, including:
- The number, form and content of any publications. (Note: APEC will not fund publications that are only presentation slides, or website maintenance. Electronic publication encouraged.)
 - The target audience.
 - Any intention to sell outputs arising from this project. [*less than ½ page*]

A press release of the Seminar will be published on the Ministry of Economic Affairs' website of Chinese Taipei. Copies of all documents, presentations and a summary report (including information about the main discussions, conclusions, and recommendations from the Seminar) will be tabled to ECSG meetings and necessary fora, the results can also be downloaded from the website of APEC and Chinese Taipei's Bureau of Foreign Trade, Ministry of Economic Affairs. In addition, there will be an exclusive website for this Seminar until Dec. 31 2017, and the documents mentioned above will also be able to download from this website. The press release and other related documents/reports will comply with APEC Publications, IP and Logo Guidelines if necessary.

There is no intention to sell outputs arising from this project.

9. **Gender:** What steps will the project take to ensure the participation and engagement of both men and women in project activities? How do project objectives benefit women? [*less than ½ page*]

Gender is taken seriously into account by the project's proponent. Participants from all genders will get equal opportunity to participate the Seminar. Economies will be explicitly requested to nominate at least one-half female nominees. As a result, the expected percentage of women participants is at least 50 percent. The organizers will invite female speakers as many as possible to ensure the balance of gender in the workshop. They might include, but would not be limited to senior officials, researchers or experts of the CBPR System from the public and private sectors.

Because many of the invited speakers are experts in their field, female participants would benefit regardless of whether the speaker is male or female. The organizers will make sure that women are given favorable conditions to participate and contribute to the Workshop by disseminating information and delivering as many invitations to women as possible.

The CBPR System is designed without the isolation to certain gender, and therefore it could be deemed to benefit to all. In addition to that, the project will address substantively the gender issues in cross-border data protection, the scope of the seminar will design to focus on the notice, collection limitation, uses of personal information, choice, integrity of personal information, security safeguards, access and correction, and accountability and in compliance with the APEC Information Privacy Principles, the APEC Privacy Framework and CBPRs.

SECTION C: Project Effectiveness

10. **Work plan:** Provide a timeline of actions you will take to reach your objectives. For each, include:
- How it will be implemented; how member economies, beneficiaries & others will be involved
 - Related outputs for that particular step (e.g. contract, agenda, participant list, workshop, report) [1-2 pages. Answers may be taken or adapted from the Concept Note]

Timeline	Key activities and deliverable outputs
June - July 2017	<ul style="list-style-type: none"> ▪ Invite co-sponsors and other Member Economies to provide comments about agenda and speakers. ▪ Finalize the agenda for the Seminar and ensure facilitation of full participation from all stakeholders and discusses all necessary topics to achieve project outcomes.
Aug.-Sep. 2017	<ul style="list-style-type: none"> ▪ Issue invitations to Seminar speakers, and coordinate on their presentation topics to ensure they are aligned with APEC goals and objectives. ▪ Coordinate with nominated Seminar attendees to facilitate their travel (where appropriate), and distribute any pre-Seminar materials needed for background information. ▪ Finalize preparations for the Seminar and traveler arrangements (where appropriate), as well as confirm venue; audio-visual requirements, invitation of media; and registration details.
Oct. – Dec. 2017	<ul style="list-style-type: none"> ▪ Conduct the Seminar. ▪ Draft summary report, including recommendations on capacity building activities for compliance with CBPR. ▪ Submit a Project Completion Report to the APEC Secretariat.
Jan.-Mar. 2018	<ul style="list-style-type: none"> ▪ Circulate summary report to all speakers and participants as well as to the ECSG and CTI.

11. **Risks:** What risks could impact project implementation and how will they be managed?
[½ to 1 page, depending on project nature/complexity]

Risk 1: Insuring participation in the seminar is adequate

Risk Management: Invitation letters will be sent at least two months in advance (beginning of August) so participants will have enough time to manage their schedules.

Risk 2: Difficulties in connecting seminar participants in a short time frame

Risk Management: We will arrange a reasonable amount of time in the workshop for participants to network.

12. **Monitoring and Evaluation:** How will you know whether the project achieved its objectives?
- What information will be collected to assess progress and impact (e.g. stakeholder feedback, website hits, participant stats)? How will gender impacts be measured?
 - How will you collect it (e.g. surveys, meetings, interviews, peer review, records review)?

- What **indicators** will you use and/or measure to know if the project is on track (monitoring) and successful in meeting its objectives (evaluation)? [*½ page*]

Several indicators are being used to assess the achievements of the project, including:

1. At least 10 APEC Economies are expected to be present at the Seminar.
2. It is expected that around 150 participants will attend the Seminar, with one-third of those participants being female.
3. The participant evaluation forms will be used to assess the impact of the Seminar.
4. The recommendations made in the report to facilitate cross-border privacy protection will be used for further consideration. The outcomes and achievements of the project will be discussed at the ECSG meeting.

13. **Linkages:** Describe the involvement of other APEC fora, and other relevant organizations. Include:

- **Engagement:** How are you engaging other relevant groups within and outside APEC?
 - **Previous work:** How does this project build on, and avoid duplication of, previous or ongoing APEC initiatives, or those of other organizations working in this area?
 - **APEC's comparative advantage:** Why is APEC the best sources of funds for this project?
- [¼ to 1 page. Answers may be taken or adapted from the Concept Note]

The purpose of this project is to continue the efforts of the "Readiness for Cross-Border Privacy Rules System in APEC" workshop held in Vietnam in October 2016, and discuss next steps needed to advance work on participation in the CPBR System.

This project will invite APEC Member Economies, whether joining CBPR System or not, and organizations to share their experiences in joining the CBPR System. In addition, business delegates from ABAC, PECC and other fora will also be invited. This project will facilitate the participation of APEC Member Economies in the CBPR System, while building consumer, business, and regulator trust in a regulatory approach that provides appropriate prudential oversight, and legitimate security protection for consumers.

SECTION D: Project Sustainability

14. **Sustainability:** Describe how the project will continue to have impact after the APEC funding is finished.

- How will beneficiaries be supported to carry forward the results and lessons from the project?
- After project completion, what are the possible next steps to build on its outputs and outcomes? How will you try to ensure these future actions will take place? How will next steps be tracked?
- How will progress on the outcomes and impacts (Question 6) be measured? [*less than 1 page*]

Following the Seminar, participants are expected to have a better idea about the CBPR System. We expect the Seminar will better inform APEC policy makers about the need to balance their protection of personal information while simultaneously promoting cross border data flows. This information will optimally contribute to policies that are more conscious of the challenges, and also identify specific areas for capacity building activities regarding the CBPR System.

All the Seminar presentation files, as well as the project's final report will be uploaded to the ECSG's website for free access. The recommendations and lessons learned from the Seminar will continue to be of help to policy makers, and will help to raise awareness of the issue across other APEC fora. The report's recommendations will assist APEC Member Economies consider how to further facilitate cross-border privacy protection, and assist non-CBPR participating Member Economies to enable and identify opportunities to apply the System.

Through the discussions and experience sharing during the Seminar and the follow-up summary report, we expect to increase business' awareness of the importance of the CBPR, and improve their willingness to apply for CBPR certification. Moreover, we expect the Seminar will assist participants in doing advocacy of the CBPR System after they return to their home economies. With their efforts to encourage their

governments to join the system, we anticipate that the numbers of the CBPR Members will expand in near future.

15. After the Seminar, Chinese Taipei will also use outcomes and recommendations from the Seminar to push for more capacity building activities domestically for 2018, in order to facilitate its preparation work of joining the CBPR. **Project Overseers: Who will manage the project? This includes managing of contractors and specialists. Please include brief details of the PO and any other main point(s) of contact responsible for this project.** [less than ½ page]

Mr. Wen-Cheng Ke serves as Deputy Director of the Multilateral Trade Affairs Division, Bureau of Foreign Trade, Ministry of Economic Affairs. Mr. Ke is a senior trade diplomat with more than 25 years' experience. His past postings include Hungary, Canada and Germany. He now supervises the APEC Affairs Task Force, Multilateral Trade Affairs Division, Bureau of Foreign Trade. Mr. Ke participated in the 18th Trade Policy Course of the World Trade Organization (WTO) in Geneva in 2001.

SECTION E: Project Efficiency

16. **Budget:** Complete the budget and budget notes for the project in the template below. The budget should include calculation assumptions (e.g., unit costs) and self-funding contributions. Please consult the *Guidebook on APEC Projects* for eligible expenses.

APEC Project Itemized Budget

Please consult the eligible expenses in the *Guidebook on APEC Projects*

<u>All Figures in USD</u>	# of Units	Unit Rate	APEC Funding	Self-Funding	Notes
Direct Labour					
Speaker's honorarium (government officials ineligible)	6 speakers	500	3,000		
	6 speakers	500		3,000	
Translator's fees (strong justification is required for approval indicating that the translations are of benefit to more than one economy – please provide details/scope of work in Budget Note 1 – Direct Labour)	(# of pages)				
Short-term clerical fees (please provide details of scope of work and deliverables in Budget Note 1 - Direct Labour)	(# of hours)				
Contractor fees (contractors Secretary's fees to be included in cost and packaged together)	(# of hours)				

<u>All Figures in USD</u>	# of Units	Unit Rate	APEC Funding	Self-Funding	Notes
Travel (Speaker, Experts, Researchers)					
Per diem (incl. accommodation and "75% additional payment")	6 speakers* 2.75 days	272	4,488		The event will take place in Taipei. (272USD/d)
	6 speakers* 2.75 days	272		4,488	
Airfare	6 speakers	10,000* 2/5,056 *1/2,000 0*3	31,056		Business class if exceeds 12 flight hours.
	6 speakers	10,000* 1/6000* 2 /2,000* 3		28,000	
Travel for Participants (from travel-eligible economies only. Active participants only)					
Per diem (incl. accommodations and "75% additional payment")	22 participants, * 2.75 days =60.5	272	16,456		The event will take place in Taipei. (272USD/d)
Airfare (<i>restricted economy class</i>)	22 participants, 22 round-trip tickets		25,000	19,000	11 Travel Eligible Economies (China, Chile, Indonesia, Malaysia, Mexico, Papua New Guinea, Peru, Philippines, Russia, Thailand, Vietnam).
Chile	2	3,500	7,000		
China	2	1,000	2,000		
Indonesia	2	1,500		3,000	
Malaysia	2	1,500		3,000	
Mexico	2	3,000	6,000		
Papua New Guinea	2	3,500		7,000	
Peru	2	3,000	6,000		
The Philippines	2	1,000	2,000		

<u>All Figures in USD</u>	# of Units	Unit Rate	APEC Funding	Self-Funding	Notes
Russia	2	2,000		4,000	
Thailand	2	1000	2,000		
Vietnam	2	1,000		2,000	
Other items					
Publication/distribution of report	(# of copies)				
Specialized equipment or materials (<i>please describe</i>) <ul style="list-style-type: none"> Equipment rental fee for Seminar's presentations; microphones, backdrop and audio equipment. 	1 Day	3,500		3,500	
Photocopying	22,500 copies(150pages*150participants)	0.30		6,750	
Communications (telephone, fax, mail, courier)					
<i>Hosting</i> (provide breakdown, e.g., room rental, stationery)	Room Rental 1day + half day setup			12,000	
	Stationery			3,262	
Total:			80,000	80,000	

Budget Note 1: Direct Labour: Provide information for APEC-funded positions including general duties, total hours and who will be contracted, if known. (It is not acceptable to contract staff from your own organization or government employees.)

Budget Note 2: Waivers: Provide details of any requests for waivers from the normal APEC financial rules, with justifications in the notes column of the budget table, or below if the waiver requires a detailed explanation.



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/013
Agenda Item: 11(a)(vi)

IDEAS Show @ APEC Innovation

Purpose: Information
Submitted by: Chinese Taipei



36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017

 Asia-Pacific
Economic Cooperation


IDEAS Show
© APEC Innovation 



**APEC
VIET NAM
2017**

ECSG Meeting

IDEAS Show @ APEC Innovation

Chinese Taipei
Aug 23 , 2017



 **IDEAS
SHOW**

IDEAS Show
© APEC Innovation 

Outline

- 1. Alignment and Intro of the IDEAS Show**
- 2. The Elements of the Show**
- 3. The Best Innovation List**
- 4. Public and Private Partnerships**
- 5. IDEAS Show group photos**

2

1. Alignment and Intro of the IDEAS Show



APEC Alignment

2016 APEC Leaders Declaration

- to embrace the opportunities of the Internet and digital economy
- to support MSMEs through electronic commerce to facilitate cross-border trade

Vietnam 2017 Initiative

- to strengthen MSMEs' competitiveness and innovation in the digital age.
- to promote start-ups and innovative MSMEs





1. Alignment and Intro of the IDEAS Show



Introduction of IDEAS Show

- Objective: to facilitate access for entrepreneurs to start-up incubators and the global market
- took more than 436 startups onto several international stages

2008 2009 2010 2011 2012 2013 2014 2015 2016 2017




The timeline shows the progression of the IDEAS Show stages over time. Key stages include DEMO (2008, 2011), DEMO (2010), STAGE CLAMP (2013), ECHELON (2014, 2016), DEMO CLAMP (2015), and MOBILE (2017). Each stage is associated with specific logos and names of participating startups or organizations.

 **IDEAS Show**
@ APEC Innovation 


2. The Elements of the Show

IDEAS Show@APEC Innovation July 25-26, 2017

- 35 international startup teams from 9 economies joined us.
- 12 VC judges were invited to interact with the startups



10th Anniversary
IDEAS Show @ APEC Innovation

 網·遊 5

 **IDEAS Show**
@ APEC Innovation 

2. The Elements of the Show

Pitch Campaign to show Ideas

- Startups pitched their ideas for 6 mins to attract the attention of VCs



 Linkross (CT)	 Memepr (HKC)	 Leverage Internet (CT)	 Iamcompany (ROK)
 Dipp (USA)	 FundPark (HKC)	 Round Taiwan Round (CT)	 IDEAS Shopping (CT)

6

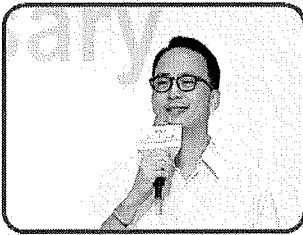
IDEAS SHOW
APEC INNOVATION

IDEAS Show
© APEC Innovation


2. The Elements of the Show

Inspiring Speeches to Shape the Future


➤ **Invited 30 experts to give speeches to inspire future entrepreneurs**



USA



Thailand



Chinese Taipei

7

IDEAS SHOW
APEC INNOVATION

IDEAS Show
© APEC Innovation

2. The Elements of the Show

Panel Discussions to Know Trending Industries and the Regional Markets

Asia Silicon Valley & Next Business

Social eCommerce





10th Anniversary



Next Startup Innovation

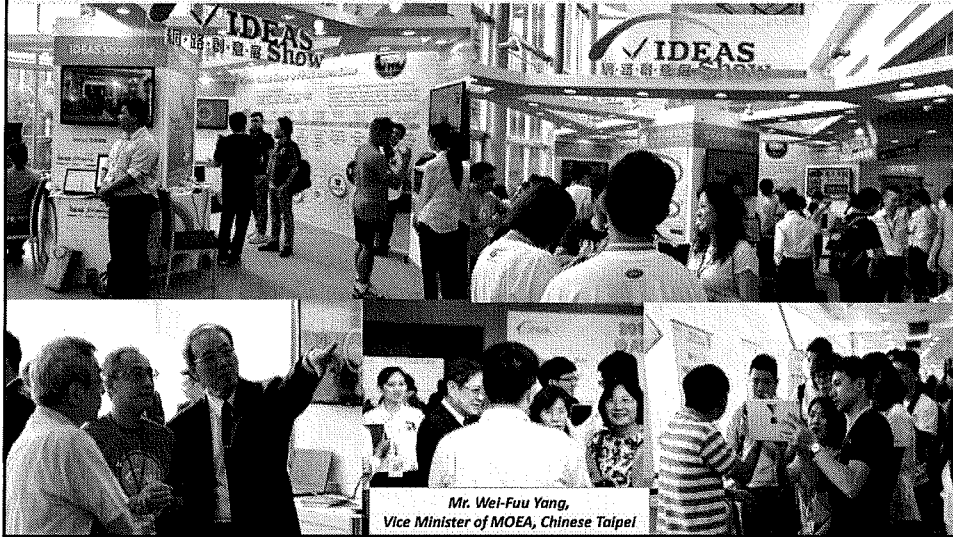


8



 **IDEAS Show**
© APEC Innovation 

2. The Elements of the Show

Attendees Experience the Innovations at the EXPO




*Mr. Wei-Fuu Yang,
Vice Minister of MOEA, Chinese Taipei*

 **IDEAS Show**
© APEC Innovation 

2. The Elements of the Show

Attendees Visit Incubators in Taipei

- *Taipei Co-Space and Center for Innovation Taipei: co-working space, collaborative work space*
- *StarRocket: startup incubator, co-working space*



10

IDEAS SHOW
IDEAS Show
 © APEC Innovation

3. The Best Innovation List E-Commerce Awards

- **Linkross provides Lost & Fund solution powered by the cloud.**




- **iamcompany provides homework book app to collect and organize school information.**

11

IDEAS SHOW
IDEAS Show
 © APEC Innovation

3. The Best Innovation List International ICT Cooperation Awards

- **Fixgames constructs One-Stop Multi-Platform of New Reality.**



- **Dipp's technology can obtain customer data and create better travel experience.**



- **Theia 3D Phone Case is designed to take 3D photos via ordinary smartphone.**

12

 **IDEAS Show**
© APEC Innovation 

4. Public and Private Partnerships

Public and Private Partnerships

➤ **Collaboration with enterprises and regional accelerators to offer startups with mentoring and reviewing.**


<p>Taipei</p> <ul style="list-style-type: none">■ Chunghwa Telecom Award <i>1 year of free cloud service</i>	<p>Taipei</p> <ul style="list-style-type: none">■ IDEAS Show Stars' Award <i>Prize USD \$2,300</i>
<p>USA</p> <ul style="list-style-type: none">■ Qualcomm Award <i>Prize USD \$2,000</i>	<p>Malaysia</p> <ul style="list-style-type: none">■ MaGIC Award <i>Two Tickets to MaGIC event "MA 2017"</i>
<p>Vietnam</p> <ul style="list-style-type: none">■ VIISA Special Award <i>8 hours coaching and tutoring</i>	

13


 **IDEAS Show**
© APEC Innovation 

5. IDEAS Show group photos






IDEAS Show
© AP/EC Innovation



Thank you for your time and support!

For more information:
<http://www.ideasshow.org.tw/en/index.htm>



IDEAS
網路·創·意·展
SHOW



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSSG/014
Agenda Item: 11(b)(i)

**Concept Note: Public-Private Dialogue on Existing
and Emerging Issues Related to E-Commerce and
Digital Economy**

Purpose: Consideration
Submitted by: Peru



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

APEC Concept Note

Project Title:	PPD on existing and emerging issues related to E-commerce and Digital Economy
Fund Source: <input type="checkbox"/> General Project Account (formerly Operational Account) <input type="checkbox"/> TILF Special Account <input checked="" type="checkbox"/> APEC Support Fund	
APEC forum:	ECSG
Proposing APEC economy:	Peru
Co-sponsoring APEC economies:	Australia, Chinese Taipei, Japan, New Zealand, United States
Expected start date:	February, 2018
Expected completion date:	August, 2018
Project summary: Describe the project in under 150 words. Your summary should include the project topic, planned activities, timing and location: <i>(Summary must be no longer than the box provided. Cover sheet must fit on one page)</i>	<p>Peru proposes to hold a one-day PPD on existing and emerging issues related to E-commerce and Digital Economy that seeks to deepen discussions on three important issues: the development of electronically transmitted content in APEC Economies, the development and diffusion of new technologies (cloud and big data), and consumer protection.</p> <p>The PPD will bring together a wide range of views from public and private sector regarding the aforementioned topics. Furthermore, the PPD will contribute to a better understanding on the latest trends and emerging issues related to E-commerce and Digital Economy.</p> <p>Additionally, the PPD will benefit APEC officials to increase their understanding and knowledge on experiences and challenges that Economies are facing regarding these elements.</p> <p>Finally, it is important to note that the PPD may contribute to the realization of a future FTAAP as this will help participants to evaluate and better understand these elements from different Economies' perspectives.</p>
Total cost of proposal: (APEC funding + self-funding): USD 120 000.00	Total amount being sought from APEC (USD): 120 000.00 By category: Travel: 100 000.00 Labor costs: 10 000.00 Hosting: 5 000.00 Publication & distribution: - Other: 5 000.00

Project Overseer Information and Declaration:

Name: Ms. Alexandra CARHUARICRA

Title: Services Negotiator

Organization: Ministry of Foreign Trade and Tourism

Postal address: Calle Uno Oeste N° 50 Urb. Córpac - San Isidro / Lima 27 - 15036

Tel: (511) 513-6100 Ext. 8040 **E-mail:** acarhuaricra@mincetur.gob.pe

As Project Overseer and on behalf of the above said Organization, I declare that this submission was prepared in accordance with the **Guidebook on APEC Projects** and any ensuing project will comply with said Guidebook. Failure to do so may result in the BMC denying or revoking funding and/or project approval. I understand that any funds approved are granted on the basis of the information in the document's budget table, in the case of any inconsistencies within the document.

Ms. Alexandra CARHUARICRA

Name of Project Overseer

Date: 21 June 2017

Project Synopsis

1. **Relevance – Benefits to region: What problem does the project seek to address? What is the relevance of the project? Does it have sustained benefits to more than one economy?**

The development of E-commerce and Digital Economy provides new opportunities and benefits for developed and developing Economies allowing people to create, access and deliver new products, services and information efficiently. This results in economic growth and prosperity for Economies around the globe. Therefore, more Economies are committed to take advantage of the technology benefits and develop policies to facilitate its development.

The PPD on existing and emerging issues related to E-commerce and Digital Economy looks forward to deepen discussions on three important issues: the development of electronically transmitted content in APEC Economies, the development and diffusion of new technologies (cloud and big data), and consumer protection.

The importance of the aforementioned issues stems from the fact that recently concluded RTAs/FTAs include provisions related to them. Therefore, continued and active discussion on these new trade topics is important to increase awareness of policy makers to understand the ongoing business environment for Electronic Commerce and the Digital Economy.

Regarding electronically transmitted content, some RTAs/FTAs and negotiations include related commitments such as a permanent moratorium to not impose customs duties

Some new RTAs/FTAs also prohibit the mandatory requirement for companies to localize their computing facilities and prohibiting data flows which has a direct impact on the development of technologies such as cloud and big data; and include provisions related to consumer protection like maintaining transparent and effective measures to protect consumers from fraudulent and deceptive commercial activities when they engage in online commercial activities.

Furthermore, both of these issues have important implications for Small and Medium-sized enterprises (SMEs) seeking to enter the global digital economy, as this type of activities and discussions contribute to increase the knowledge of the relevant stakeholders and provide better understanding regarding the pros and cons for SMEs looking forward to be part of the global digital economy.

Relevance – Rank: Which Rank in the annual APEC Funding Criteria does this project fall under? Briefly explain why. Is it also linked to other Ranks? If so, briefly explain which/how.

This project corresponds to Rank 1 of the "Funding Criteria for All APEC-Funded Projects in 2017," as it promotes the discussion on the following related topics:

- Next Generation Trade and Investment Issues.
- Services trade, including the implementation of the APEC Services Cooperation Framework and APEC Services Competitiveness Roadmap.
- Information technology and digital economy, including e-commerce, ICT infrastructure, and digital trade.
- Regional Economic Integration initiatives, including the Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP and Lima Declaration on FTAAP, RTAs/FTAs information sharing mechanism.
- Strengthening innovation capacities and competitiveness of MSMEs and MSMEs insertion in GVCs.

2. **Objectives: Describe the 2-3 key objectives of the project. (e.g. ensure workshop participants will be able to...; to create a framework...; to develop recommendations...; to build support...; to revise strategies...; to create an action plan;...to increase knowledge in; to build capacity in... etc.)**

- To identify views and concerns of the private sector in relation to these topics.
- To start discussions on these elements from different Economies' perspectives. To share experiences and challenges that Economies face related to E-commerce and the Digital Economy emerging issues.

3. **Alignment – APEC: Describe specific APEC priorities, goals, strategies, workplans and statements that the project supports, and explain how the project will contribute to their achievement.**

In the 2016 APEC Leaders' Declaration, Leaders welcome APEC economies' initiatives and leadership to explore new areas of potential economic growth in the area of digital trade and related

issues. Moreover, in the 2016 AMM Joint Statement, Ministers took note of the next steps to advance our work on digital trade and look forward to continue exchanging views on this topic in 2017 by undertaking capacity building, developing case studies, and identifying practices to expand and promote digital trade in the region, and to ensure all member economies' participation in digital trade, taking into consideration specific economic circumstances.

This proposal seeks to increase the understanding and knowledge of APEC economies regarding existing and emerging issues related to E-commerce and the Digital Economy. Furthermore, the PPD may contribute to the realization of a future FTAAP as this will help participants to evaluate and better understand these elements from different Economies' perspectives.

Alignment – Forum: Briefly explain how the project is aligned with your forum’s workplan / strategic plan.

The project helps to fulfill the Electronic Commerce Steering Group (ECSG) objectives as followed:

- Promote the development and use of electronic commerce by supporting the creation of legal, regulatory and policy environments in the APEC region that are predictable, transparent and consistent.
- Cooperate, develop, and implement technologies and policies, which build trust and confidence in safe, secure and reliable communication, information and delivery systems, and which address issues including privacy, authentication and consumer protection.

4. Methodology: How do you plan to implement the project? In this section, briefly address the following:

- **Workplan: Project timelines, dates of key activities and deliverable outputs.**

Activities	Timeline
Submission of CN and full proposal for approval	March- July, 2017
Hold a one-day PPD	At the Margins of SOM I, 2018
Publication of the report	By SOM III, 2018

- **Beneficiaries: The proposed selection criteria for participants, beneficiary profiles (e.g. workshop participants, end users, policy makers, researchers/analysts, gender) and how they will be engaged.**

The key beneficiaries will be public government officials from the APEC region, especially those whose work is related to the development of policies on e-commerce issues since it will enhance their capabilities in the analysis and assessments of these kind of issues. These officials may then be informed and empowered to share their lessons learned with policymakers throughout their own governments, thus extending the beneficiaries.

- **Evaluation: Potential indicators developed to measure progress, project outcomes and impacts/successes. Where possible provide indicators which could assess impacts on women.**

The main indicators of the success of the project are:

- The number of APEC Economies engaged with the Project.
- The number of participants to the PPD.
- The number of female participants in this project This PPD will contribute to increase the capabilities of government officials with no discrimination between genders.

- **Linkages: Information on other APEC and non-APEC stakeholders and how they will be engaged. If and how this proposal builds on (but does not duplicate) the work of other projects. How will this activity promote cross fora collaboration?**

This project builds on work undertaken to enhance the knowledge and experience of APEC Economies in three specific topics: the development of electronically transmitted content in APEC Economies, the development and diffusion of new technologies (cloud and big data), and consumer protection which are important for the development of the Digital Economy. In that sense, it continues with the efforts made in previous projects or initiatives, like “Trade Policy Dialogues related to Digital Trade” and the “CBNI seminar on e-commerce”

This project does not duplicate but complements previous PPD or seminars because it concentrates in the aforementioned topics which implies a deeper analysis on main concerns and challenges of Economies (public and private sectors) related to these topics. Our goal is to provide an opportunity for a constructive dialogue, allowing participants to exchange views.

In that sense, this project will fully build on and avoid duplication with existing projects.



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSSG/015

Agenda Item: 12

APEC Cross-Border E-Commerce Facilitation Framework

Purpose: Information
Submitted by: Viet Nam



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

APEC CROSS-BORDER E-COMMERCE FACILITATION FRAMEWORK

INTRODUCTION

1. Electronic commerce (e-commerce) has the potential to provide an extraordinary stimulus to the growth and trade of the Asia-Pacific region. In 2016, B2C e-commerce sales worldwide reached 1.9 trillion USD and the sales of Asia-Pacific was estimated to be 1 trillion USD.¹ B2C e-commerce sales also made up a larger share of total retail sales in Asia-Pacific than all other regions, at 12.1%.²
2. E-commerce is becoming a major pillar of Internet and Digital economy which has contributed to the development of trade in the region. Online services have the largest share of the total digital market in 2015.³
3. Cross-border e-commerce is one of the fastest growing segment of global trade, growing from practically zero two decades ago, to an estimated value of 1.92 trillion USD globally by the end of 2016. The Asia-Pacific region also had the biggest volume of sales in 2016, followed by Western Europe and North America. Cross-border B2C e-commerce sales in the Asia-Pacific region reached 144 billion USD, accounting for 35.9% of worldwide cross-border B2C e-commerce sales. The figures are estimated to be 476 billion USD and 47.9% in 2020.⁴
4. Recognizing very early on the key role that e-commerce would play in linking APEC Economies, in the 1998 Declaration, APEC Leaders commended the APEC Blueprint for Action on Electronic Commerce , which set out the principles for the promotion and development of e-commerce in the region. In Auckland 1999, APEC Leaders once again urged APEC to continue its efforts to create a favorable environment for e-commerce and called for specific implementation strategies in e-commerce. Since then, along with the establishment of Electronic Commerce Steering Group (ECSG) in 1999, many activities have been implemented based on the principles set out in the Blueprint.
5. Today, the rapid digitalization of the global economy has opened up new growth opportunities for APEC's Micro, Small and Medium Enterprises (MSMEs). Cross-border e-commerce is a powerful enabler for the internationalization of APEC's MSMEs, who no longer need physical, commercial presence to market and sell their products to the world. Recognizing this, in 2014 APEC Leaders endorsed the APEC Cross-border E-commerce Innovation and Development Initiative. At APEC Ministerial Meeting (AMM) 2015, Ministers welcomed the proposal to Promote E-commerce to Globalize MSMEs. And in 2016,

¹<https://www.emarketer.com/Article/Worldwide-Retail-Ecommerce-Sales-Will-Reach-1915-trillion-This-Year/1014369>

²<https://www.emarketer.com/Article/Offline-Retail-Sales-Still-Strong-Asia-Pacific/1014314?ecid=NL1007>

³ Facilitating Digital Trade for Inclusive Growth, Issue Paper No. 12 by APEC Policy Support Unit, April 2017

⁴<http://www.tradeforum.org/Cross-border-e-commerce-helps-SMEs-reach-global-markets/>

Ministers agreed to encourage further work to exchange experience on the implementation of the WTO Agreement on Trade Facilitation and promotion of customs control over cross-border e-commerce for better connectivity, further integration of regional economy and modernize MSMEs. These are instructions that need a response from the APEC Economies.

6. Noting the foundation and work streams that have begun in this critical area, and recognizing the importance of capturing issues relevant to APEC and today's global trading environment, in 2017 APEC recommends establishment of a framework to guide a comprehensive and coherent response.

7. This Framework should serve as a complement to ongoing work related to the Roadmap for the Internet and Digital Economy, as well as to the ongoing work related to digital trade under the Committee on Trade and Investment (CTI) in APEC. The possible next phase of the Framework will meet new objectives set in the APEC Beyond 2020 vision.

PRINCIPLES

8. The Framework shall be guided by the APEC Principles on Trade Facilitation endorsed in 2001, taking into account the APEC Blueprint for Action on e-commerce.⁵

OBJECTIVES

9. With the above consideration, the objectives of the Framework include, to promote cross-border e-commerce across APEC by:

- Creating a favorable regulatory eco-system for e-commerce to promote predictability, transparency, security, fair competition and consistency;
- Promoting development of Information and Communication Technology infrastructure for facilitating cross-border e-commerce, including trade in goods and services;
- Encouraging and facilitating greater participation of businesses in global commerce, in particular MSMEs;
- Enhancing cooperation between public and private sectors, including on consumer protection;
- Contributing to trade and investment facilitation in the region, supporting the achievement of the Bogor Goals and post 2020 vision.

WORKING PILLARS

10. To achieve the above objectives, APEC should focus on the following working pillars. Each pillar should include specific activities to assess the performance:

⁵ This Framework is applied to facilitate for cross-border e-commerce in B2C, B2B and G2B transactions and for commercial transactions of both physical goods and services and digital products via electronics means.

(i). Promoting transparent and predictable legal and regulatory approaches and measures that are business friendly and coherent to facilitate cross-border e-commerce in the region

11. Lack of coherent policies and regulations on e-commerce has been one of the obstacles for cross-border e-commerce.

12. Efforts should be made to assist APEC Economies, especially developing economies, to understand and develop transparent and predictable regulatory and legal framework for cross-border e-commerce, with the aim of promoting better alignment among Economies throughout the region.

13. Consequently, working towards sharing best practices in e-commerce regulations in the region remains a priority to create a favorable environment to facilitate cross-border e-commerce and promote online consumer protection.

14. The following activities could be considered under this pillar:

- Review existing legal and regulatory issues related to cross-border e-commerce including digital products;
- Consider existing international standards and guidelines;
- Identify choke points and measures to cross-border e-commerce from legal and regulatory perspective, taking into account Phase II of the Supply Chain Framework Action Plan;
- Promote dialogue and interaction on new legal and regulatory issues among government agencies and other related stakeholders;
- Promote transparency and predictability in implementation of e-commerce regulations;
- Share best practices as useful tools for capacity building of policymakers;
- Encourage APEC Economies to undertake reviews of their domestic e-commerce policies;
- Conduct research on emerging technological and regulatory trends in e-commerce;
- Update the Digital Prosperity Checklist endorsed in 2008.

(ii). Enhancing capacity building so that APEC Economies can assist MSMEs to increase their cross-border e-commerce participation in global and regional markets

15. Although MSMEs account for the majority of all enterprises in the region, their participation in global trade is not commensurate with their potential and share of employment.⁶

16. Cross-border e-commerce provides MSMEs with opportunities to lower operating costs and thus easing MSMEs' access to global markets and increasing their capacities to participate in global trade.

17. It is necessary to reduce barriers that impede MSMEs expansion in the region, in parallel with efforts to enhance capacity building programs for Economies to assist MSMEs participation in cross-border e-commerce.

18. The following activities could be considered under this pillar:

- Identify choke points and measures for businesses, especially MSMEs, to participate in cross-border e-commerce;
- Identify, share and develop best practices among Economies, especially MSMEs to participate in cross-border e-commerce;
- Identify supply side gaps such as knowledge of market expertise and trade rules, standards and service quality required to support the use of cross-border e-commerce in the region;
- Actively encourage public and private sectors to develop and implement projects in appropriate fora to address issues related to MSMEs' participation in cross-border e-commerce;
- Encourage cooperation and collaboration between public and private sectors such as Public Private Partnership (PPP), Public-Private Dialogue (PPD) on existing and emerging issues in cross-border e-commerce;
- Support capacity building activities within Economies to facilitate MSMEs' gain on cross-border e-commerce.

(iii). Strengthening cross-border data privacy protection through increased implementation of existing APEC programs

19. We recognize the importance of effective protection of information and data privacy, while still maintaining information and data flows among economies in the Asia-Pacific region, and among their trading partners.

20. We value APEC's on-going efforts and programs on privacy. We recognize the importance of the APEC Cross-border Privacy Rules (CBPRs) System and Privacy Recognition for Processors (PRPs) System, voluntary mechanisms whose participants seek to expand the

⁶ The APEC Iloilo Initiative: Growing Global MSMEs for Inclusive Development.

participation, and we support enhanced cooperation in this area, including through promoting capacity building.

21. The following activities could be considered under this pillar:

- Promote appropriate domestic data privacy protection for personal information consistent with the APEC Privacy Framework;
- Encourage APEC Economies to update their Data Privacy Individual Action Plan;
- Encourage and facilitate APEC Economies interested in participating in CBPRs and PRPs in APEC;
- Facilitate discussion APEC Privacy Framework and domestic regulations to ensure the coherent and consistent approach to data privacy regulations;
- Support capacity building efforts among the APEC members to enhance their domestic data privacy regulations which take into account the APEC Privacy Framework;
- Share experience and best practices on issues related to cross-border data privacy regulations and policies;
- Enhance and strengthen international collaboration aimed at furthering the global interoperability of privacy framework;
- Continue regional monitoring developments in and share information with other international fora on cross-border privacy issues and initiatives.

(iv). Facilitating cross-border paperless trade in the region

22. It is recognized that paperless trade, the advanced electronic submission and processing of documents is a key foundation of trade facilitation. APEC recognizes that continued efforts to strengthen paperless trade are critical to the efficient processing and clearance of e-commerce shipments.

23. We encourage members to consider approaches to cross-border paperless trade facilitation in cooperation with the business community, particularly with MSMEs in the region.

24. In addition, we encourage APEC Economies to implement the WTO Trade Facilitation Agreement (TFA), particularly those provisions which aim to make more information related to customs procedures available on the Internet (Article 1, Article 7 and Article 10).

25. In recognition of the importance of trade facilitation, we encourage ongoing and additional ways to further facilitate cross-border paperless trade, working with relevant fora and sub-fora.

26. The following activities could be considered under this pillar:

- Identify chokepoints and build capacities for further facilitating cross-border paperless trade including business-to-consumer(B2C), business-to-business (B2B) and government-to-business (G2B);
- Establish a favorable environment to facilitate cross-border paperless trade through streamlined shipments and clearance goods while supporting risk management;
- Identify chokepoints and work towards strengthen the use of e-payment systems while ensuring the security;
- Share best practices and support capacity building on cross-border paperless trade regulatory approaches including single window development and border management;
- Working with the relevant sub-fora, explore other technologies and innovations to further facilitate cross-border paperless trade, while supporting effective risk management;
- Encourage APEC members to update their APEC Paperless Trading Individual Action Plan;
- Conduct collaboration with other international fora and organizations in this area such as the United Nations Commission on International Trade Law (UNCITRAL), The Economic and Social Commission for Asia and the Pacific (ESCAP), World Customs Organization (WCO), Universal Postal Unit (UPU) or National Postal Operators (NPO), World Trade Organization (WTO) and other relevant organizations outside of APEC.

(v). Addressing emerging and cross-cutting issues in cross border e-commerce

27. Existing and emerging cross-cutting issues related to cross-border e-commerce needs to be taken into serious consideration. This would require working groups and APEC fora to collaborate closely to find the most suitable solution for such issues.

28. We support the free flow of information for promoting cross-border e-commerce while respecting legitimate public policy interests including applicable domestic and /or international legal frameworks for privacy and data protection.

29. Besides, several issues have emerged as significant in the promotion of cross-border e-commerce in the region including border management, taxation, Intellectual Property Rights, online consumer protection and cyber security are considered to be of particular importance for businesses participating in cross-border e-commerce.

30. We encourage the development of policies and frameworks that promote trust and confidence among cross-border e-commerce participants, and which ensures the benefits of cross-border e-commerce are available for consumers and businesses alike.

31. The following activities could be considered under this pillar:

- Research, study and understand new and emerging cross-cutting issues related to cross-border e-commerce;
- Identify barriers and encourage best practices sharing in facilitation of cross-border information flows for cross-border e-commerce;
- Encourage sharing best practices on online consumer protection, taxation issues on cross-border e-commerce operators;
- Identify and share best practices for the promotion of electronic authentication methods, including electronic signatures;
- Identify barriers and encourage best practice sharing in border management, including but not limited to goods inspections processes at the border;
- Coordinate with the UPU or NPO and other stakeholders involved in cross-border delivery and distribution to safeguard and improve the sustainability of cross-border e-commerce;
- Raise awareness of cybercrimes and the need for strong, effective security in the use of ICTs for cross-border e-commerce;
- Maintain implementation of emerging information communication technologies and industries ensuring interoperability in the sphere of cross-border e-commerce in the region;
- Promote better measurement of cross-border e-commerce and analysis on its economic impacts, including measurements examining negative impacts of measures that are anti-competition or protectionist laws;
- Modernize the TOR of ECSG by focusing on e-commerce and capturing emerging issues;
- Continue close collaboration with other working groups and APEC fora, including but not limited to Sub Committee on Customs Procedures (SCCP), Small and Medium Enterprises Working Group (SMEWG), Telecommunication Working Group (TELWG), CTI, Steering Committee on Economic and Technical Cooperation (SCE) etc.

THE WAY FORWARD

32. An Annex to the Framework includes past, current and future projects, initiatives, APEC member action-plans and working group work-plans, with the aim to promote and facilitate cross-border e-commerce in the region.
33. The Annex of APEC Collective Action is a living document and will be updated annually.
34. This Framework will contribute to the strategic and long-term planning of APEC's work program through all relevant committees and working Groups.
35. The ECSG, and the possible successor sub-fora under CTI, will have a leadership and coordinating role to implement the Framework beginning in 2018 and report to CTI

As Final Draft – Aug 14, 2017

annually. Relevant fora and working groups are encouraged to implement the Framework in their scopes to facilitate cross-border e-commerce in the region.

ANNEX
APEC COLLECTIVE ACTIONS

No.	Name of projects/initiatives/plans	Working Pillars	Working Group/ APEC fora	Year	Member
1	Idea Show for start-up in e-commerce in Asia Pacific 2017	(ii)	ECSG	2017	Chinese Taipei
2	Enhance MSME's Capacity for Inclusive Development by Cross-Border e-Commerce Adoption	(ii), (iv)	ECSG	2017	Viet Nam
3	Work Plan for Promoting E-commerce to Globalize MSMEs	(ii), (iv)	CTI	2016-2018	Korea
4	DPS-ECSG Work Plan 2017	(iii)	ECSG	2017	ECSG members
5	APEC Workshop on Facilitating Market Access for Women-Led MSMEs through E-Commerce	(ii)	SME	2017	Viet Nam
6	APEC SME Cross-Border E-Commerce (CBE) Leaders' Conference	(ii)	SME	2017	China
7	Seminar on "Capacity-Building for Compliance with Cross-Border Privacy Rules System in APEC."	(iii)	ECSG	2017	Chinese Taipei
8	Phase Two of Supply Chain Connectivity Framework Action Plan 2017-2020	(ii) (v)		2017	CTI



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/016

Agenda Item: 12

Legal Experts Workshop on E-Commerce

Purpose: Information
Submitted by: Japan



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

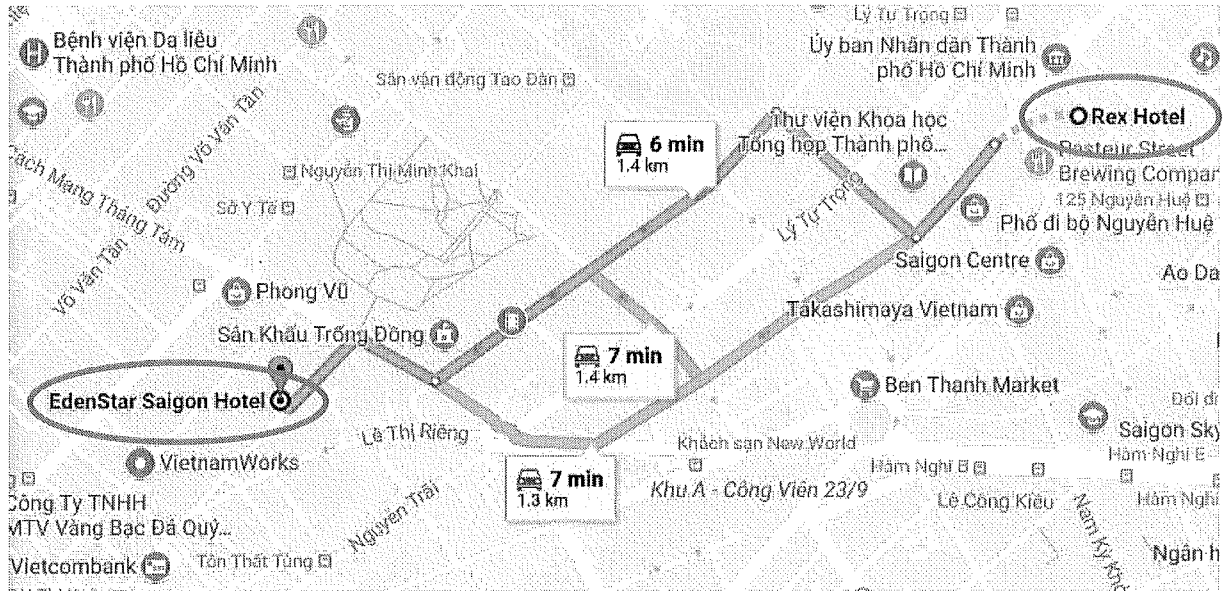
LEGAL EXPERTS WORKSHOP on E-COMMERCE

Time: 24 August, 2017 09:30-14:30

Venue: Eden Star Hotel at 38 Bui Thi Xuan Str., Distr. 1, Hochiminh City

Time	Agenda	Speaker
9:30 – 9:35	Opening Remarks	<ul style="list-style-type: none"> • Ms. Lai Viet Anh, Deputy General Director, VECITA, MOIT, Viet Nam • Mr. Shinji Kakuno, Director, International Office, Ministry of Economy Trade and Industry, Japan
9:35 – 10:20	Introduction of “Interpretative guidelines on EC and Information Property Trading” (30 min) Q & A (15 min)	<ul style="list-style-type: none"> • Mr. Yuhei Okakita, Deputy Director, Ministry of Economy Trade and Industry, Japan
10:20 – 10:40	Tea break	
10:40 – 11:25	Presentation: The responsibilities of platformer including e-marketplace, auction and sharing economy models(tent.) (25 min) Viet Nam’s regulation for platformer in e-marketplaces, and auction (10min) Q & A (10 min)	<ul style="list-style-type: none"> • Ms. Shino Uenuma, Partner, South Toranomon Law Office • Ms. Uyen Ho - VECITA – Viet Nam
11:25 – 12:25	Panel : Cross-border transactions & dispute resolution - Governing law/ Jurisdiction of the court / ADR Presentation by Prof. Hayakawa(20min) Presentation by VCA & FTC (10 min each) Discussion and Q&A (20min)	<p>Presenter and Moderator:</p> <ul style="list-style-type: none"> • Mr. Yoshihisa Hayakawa, Professor of Rikkyo University, Japan. <p>Speaker:</p> <ul style="list-style-type: none"> • Mr. Phan The Thang, Vice Head, Vietnam Competition Authority • Ms. Melinda Claybaugh, FTC – US
12:20-12:30	Closing Remarks	<ul style="list-style-type: none"> • Ms. Lai Viet Anh, Deputy General Director, Vecita, MOIt, Viet Nam • Mr. Shinji Kakuno, Director, International Office, Ministry of Economy Trade and Industry, Japan
12:30 – 14:30	Luncheon	

Venue: Eden Star Hotel at 38 Bui Thi Xuan Str., Distr. 1, Hochiminh City





**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/017

Agenda Item: 13

**Work Undertaken by APEC in Support of the
Boracay Action Agenda to Globalize MSMEs for
2017**

Purpose: Information
Submitted by: Philippines



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**

Work Undertaken by APEC in Support of the Boracay Action Agenda to Globalize MSMEs for 2017

Sub-fora, Committee, Working Group	Work Undertaken (Please provide a brief description)	Status (Completed or On-going/Expected)	Priority Action [1]
Committee on Trade and Investment (CTI) in cooperation with Automotive Dialogue (AD)	<p>APEC Workshop to discuss Best Practices on Practical Solutions/ Programmes to Integrate SME Suppliers into the Automotive Global Value Chains (GSAS Project)</p> <p>Objectives: (i) to deliberate on the consolidated outcomes of the GSAS workshops and survey analysis completed in Phase 1, (ii) to share the best practices on practical solutions or programmes to integrate SME suppliers into automotive GVCs; and (iii) to discuss the elements to be included in the development of the multi-year APEC Regional Automotive Supply Chain Development Program (RASEP)</p>	Completed (8-9 May 2017, Kuala Lumpur), APEC Regional Automotive Supplier Excellence Program (RASEP) to be developed	7 b,d
Committee on Trade and Investment (CTI)	<p>Compendium on Methodologies for SMEs Internationalization</p> <p>To develop a compendium of APEC best practices, methodologies and successful stories on SMEs internationalization</p>	Ongoing as a joint initiative by CTI and SMEWGW led by Peru. Reporting template circulated for completion of economies. Peru to compile inputs from economies	
Committee on Trade and Investment (CTI)	<p>Promoting E-commerce to Globalize MSMEs</p> <ul style="list-style-type: none"> - Survey/FGD on situation of SMEs' utilization of E-commerce in the business; identifying and analyzing obstacles - Draw policy recommendations to further promote the utilization of E-commerce by SMEs 	Ongoing. PSU conducted a series of "focused group discussions" with several economies to grasp issues faced by MSMEs. PSU is to draft case study presentation based on the findings gained from the focused group discussions, to be presented at CTI3	6
Committee on Trade and Investment (CTI)	<p>Promoting SMEs' Integration into Global Value Chains in Major Industries</p> <ul style="list-style-type: none"> - A series of work under the GVCs Blue Print (Work Stream 5) - A suite of projects on 5 major industries: Health [United States], Textiles and Apparel [Viet Nam], Agribusiness [Thailand], IT/Electronics [Korea], Automotive [Malaysia/Philippines] - Identify the situation of trade and investment conditions for SMEs in each sector; identify obstacles for SMEs; discussions and suggestions for SMEs' better participation in GVCs 	Phase I completed. Korea, the lead economy for Work Stream 5, issued a Report wrapping-up the activities of Phase I with suggestions contained (endorsed by CTI in 2016). Ongoing implementation of Phase II. Automotive: Workshop held in May 2017. APEC Regional Automotive Supplier Excellence Program (RASEP) to be developed.	7d
Committee on Trade and Investment (CTI)	<p>SMEs' Integration into Global Value Chains in Services Industries</p> <ul style="list-style-type: none"> - A series of work under the GVCs Blue Print (Work Stream 5) - A suite of projects on 4 services industries: Software [Korea], Tourism [Peru], Fashion Design [Hong Kong, China], and Logistics [Vietnam] - Promote better understanding of GVC in service industries and present strategy and policy recommendations to facilitate SMEs' integration into the GVCs 	Ongoing implementation. Software Services: Study and workshop to be conducted. Tourism: Study and workshop to be conducted. Fashion Design: Workshop held in the margins of SOM2 2017, ongoing survey. Policy recommendations to be developed. Logistics Services: Workshop to be conducted in the margins of SOM3, 2017	7d

<p>Committee on Trade and Investment (CTI)</p>	<p>Supporting Industry Initiative</p> <ul style="list-style-type: none"> -Proposal by Japan and Viet Nam. To promote supporting industries which is regarded as essential "infrastructure" of manufacturing value chains. -Share policy experiences, and to suggest best policies, taking into account combining policy elements such as clustering, R&D, Human Resources Development, business matching, improvement of Trade and Investment environment, access to finance. 	<p>Workshop held in the margins of SOM1, 2017. Case studies by PSU finalized. Based on these, a draft "APEC Policy Guideline for Promoting Supporting Industry in Asia Pacific Region" has been developed, seeking endorsement by CTI3.</p>	<p>5, 7</p>
<p>Small and Medium Enterprises Working Group (SMEWG)</p>	<p>Iloilo initiative</p> <p>1. Providing Bigger Voice, Better Opportunities for MSMEs: (i) organize APEC SME Summit; (ii) b) hold annual SME Ministers-CEO Dialogue; (iii) establish and strengthen MSME association; (iv) build network of MSMEs, incubators, accelerators, and innovation centers.</p> <p>2. Develop APEC MSME Marketplace: an online portal that: (i) facilitate business matching for MSMEs; (ii) provide information about international trade standards and regulations; (iii) disseminate information on available trade promotion assistance packages that APEC economies individually or collectively provide; (iv) building networks and linkages among the MSMEs, academe, innovation centers, and other relevant stakeholders. Will utilize database of existing APEC online portals (APECTR, STAR etc).</p>	<p>On-going.</p>	<p>3a, 6a,7c, Barrier 2, 3, 6</p>
<p>Small and Medium Enterprises Working Group (SMEWG)</p>	<p>Capability Development for Market-Oriented Innovation Management in SMEs of APEC Member Economies</p> <p>Case studies and one workshop, focusing on the aspect of innovation management, contributing to inclusive growth through, among others: (i) understanding state of the market-oriented innovation management; (ii) Increasing innovation management competences of both enterprises and institutional policy and decision-makers.</p>	<p>Completed</p>	<p>7</p>
<p>Small and Medium Enterprises Working Group (SMEWG)</p>	<p>Digital Transformation: the impact on SMEs and Regional Trade</p> <p>A 2-day workshop that will examine the nature of digital transformation and its implication for SMEs, as well as identifying opportunities for greater cooperation between APEC economies. The workshop will conclude with a session on the implications of digital transformation for regional trade.</p>	<p>Completed</p>	<p>7f</p>
<p>Small and Medium Enterprises Working Group (SMEWG)</p>	<p>APEC Public-Private Dialogue on Enhancing Capacities of MSMEs in Exporting Services</p> <p>Objectives include: To provide a platform for open dialogue on the opportunities and challenges of services MSMEs; discuss ways to promote the capacities of exporting services of MSME ; To provide an opportunity for networking among MSME experts.</p>	<p>On-going</p>	<p>Barrier 2</p>

Small and Medium Enterprises Working Group (SMEWG)	<p>Supporting Women-led SMEs Access Global Markets by Implementing Gender-Responsive Trade Promotion Policies and Programs</p> <p>- A roundtable to identify barriers to women accessing services as well as to consider specific actions and training to better support the needs of women-led/owned/managed SMEs.</p> <p>- Provide technical training to trade promotion agencies in APEC economies, including Peru, Viet Nam and PNG.</p>	<p>Workshop held in 2016 Peru (August 2016) Workshops to be held in 2017 PNG (July 2017) On-going Viet Nam (December 2017) On-going</p>	8b, 8c
Small and Medium Enterprises Working Group (SMEWG)	<p>2017 APEC Business Ethics for SMEs Forum - Facilitating Multi-Stakeholder Ethical Collaborations for Small and Medium Enterprises</p> <p>The project focuses on facilitating multi-stakeholder ethical collaborations to: (i) design/test scalable ethics curriculum, (ii) advance code implementation, and (iii) launch several formalized collaborations</p>	On-going	7
Small and Medium Enterprises Working Group (SMEWG)	<p>APEC Best Practices in SME Innovation</p> <p>Create a selection of APEC Best Practices in SME Innovation for 2016 and 2018; organising APEC SME Technology Conference and Fair (APEC SMETC) in 2016 and 2018.</p>	On-going	7f
Small and Medium Enterprises Working Group (SMEWG)	<p>APEC Workshop on Promoting Innovation for Start-ups</p> <p>A 2-day workshop aimed at: (i) Gaining an understanding of the innovation of startups in the region, opportunities, challenges, potentials; (ii) Identifying challenges facing startups while pursuing innovation; (iii) Sharing experiences and best practices in facilitating innovation for startups from the perspectives of the public and private sectors, and international organizations as well as research institutions; etc., and (iv) Making recommendations to APEC to support innovation for startups.</p>	On-going	7f
Small and Medium Enterprises Working Group (SMEWG)	<p>APEC Online-to-Offline (O2O) Initiative - Enhancing SME Digital Competitiveness and Resilience towards Quality Growth</p> <p>This project aims to enhance SMEs' Digital Competitiveness and Resilience and facilitate their integration into to global supply and value chains through: (i) establishing an APEC SME O2O Expert Network; (ii) creating an APEC SME Digital Competitiveness and Resilience Guidebook</p>	<p>Several events to be held in 2017 Mayasia (May 22-23) Completed Chinese Taipei (May30-June1) Completed Viet Nam (September) On-going Philippines (November) On-going</p>	6a, 6b, 7e
Small and Medium Enterprises Working Group (SMEWG)	<p>APEC Workshop on Facilitating Market Access for Women-led MSMEs through E-Commerce</p> <p>The workshop directly addresses APEC's priority to promote the modernization and integration of MSMEs into global supply chains (GVCs) through efficient tools such as e-commerce and the priority to facilitate women's economic empowerment among the APEC member economies</p>	On-going	6, 8b, 8c

Small and Medium Enterprises Working Group (SMEWG)	<p>APEC Women Business Leaders' Forum The forum aims to achieve the following goals:</p> <ol style="list-style-type: none"> 1) bring together successful women business leaders from APEC economies and share their success stories, discuss policies to support women business leaders, and find ways to nurture successful women entrepreneurs; 2) share challenges many women entrepreneurs often face when running a business in this globalized era and discuss ways to deal with them; and 3) offer participating businesswomen an opportunity to network with successful women 	On-going	8b, 8c
Small and Medium Enterprises Working Group (SMEWG)	<p>APEC Small and Medium Enterprises (SMEs) Forum and Business Matching: SME Clouds + Innovation and Entrepreneurship This Project will focus on popularizing Cloud Computing knowledge, strengthening the Cloud Computing utilization capacity and collecting the practical cases on Cloud Computing application of SMEs.</p>	On-going	6, 7f
Small and Medium Enterprises Working Group (SMEWG)	<p>APEC SME Cross-Border E-commerce (CBE) Leaders' Conference In order to facilitate the SMEs' cross-border trade participation, China will build a high quality service platform sponsored by famous research institutes, funds, investment companies and information service providers. The platform will work on optimizing the utilization of Internet in SMEs. The comprehensive application of Internet will help SMEs improve their business competitiveness and upgrade operation models.</p>	Completed	6, 7f
Small and Medium Enterprises Working Group (SMEWG)	<p>APEC Forum: Promoting stakeholder's building capacities in Clusters and Local Economic Promotion Instruments A 2-day forum were discussions on best practices, knowledge and strategies for the promotion of SMEs competitiveness at the meso and micro level will be done.</p>	On-going	6, 7
Sub-Committee on Customs Procedures	<p>Workshop to identify factors affecting control, cost and time for the custom clearance of imported and exported goods by MSMEs: Will contribute to identify and face critical factors, in order to provide companies a differentiated attention, in a segmented way; develop recommendations for a legal framework for the implementation of best practices identified; build capacity for APEC economies' public and private entities that participate in the activity.</p>	Expected: To be held in October 2017 in Lima, Peru.	2
Sub-Committee on Customs Procedures	<p>Workshop and In-Economy Capacity Building Initiatives on AEO Programs: Aims to hold a general SCCP workshop and 3 in-economy workshops on the findings of Study on APEC Best Practices in AEO Programs, status of AEOs and MRAs in the APEC region, discussion of possible next steps for APEC work on AEOs and more technical discussions based on an economy's needs through the in-economy workshop.</p>	To be implemented. Possible workshops to be coordinated/conducted by the Philippines.	4

Chemical Dialogue (CD)	<p>Increasingly Aware of and Coordination Between Customs Requirements for Chemicals</p> <p>CD, in coordination with the SCCP and SCSC, has initiated work to increase information sharing regarding the current import requirements for chemical products with a goal of reducing unnecessary divergences or barriers amongst these requirements. These divergences have a disproportionate impact on MSMEs that often do not have the ability to identify, let alone comply with, disparate requirements. The work could also potentially result in the development of training materials for customs officers to understand the relevant chemicals regulation laws and the various roles of regulators in facilitating imports and regulating chemical products throughout the region.</p> <p>After the deadline passes, the joint working group will (a) analyze the results and submit them to the CD and SCCP at CD19, (b) develop recommendations to address the challenges faced during September 2017 to February 2018 and introduce them at SOM1 2018, and (c) the consider developing training materials on best practices after SOM1 2018.</p>	On-going	2, 3
Chemical Dialogue (CD)	<p>Promoting Consistent Implementation of the Globally Harmonized System for the Classification and Labeling of Chemicals ("GHS")</p> <p>The CD has had a long-standing workstream to promote the implementation of the Globally Harmonized System for the Classification and Labeling of Chemicals ("GHS"). The divergences in GHS implementation have a disproportionate impact on MSMEs seeking to trade in the region, or even to supply into regional value chains. To promote solutions to these divergences, the CD hosted a workshop at SOM3 and is now seeking to finalize the report from that workshop and agree to potential next steps discussed at the event.</p> <p>the CD submitted a "Report to Ministers on Reducing Divergences in GHS Implementation in APEC Economies" (2016/CSOM/012app22)</p> <p>To that end, the VWGGHS is proposing a session on the issue either at the SOM3 workshop or at CD19 itself. The VWGGHS is also seeking to collaborate more closely with the UN Subcommittee of Experts on the GHS ("UNSCGHS") as well as the UN's Training and Research entity ("UNITAR"), both of which have capacity building experience on GHS implementation.</p>	On-going	2; Problems navigating differing regulatory requirements (2011 MRT-SME Ministerial)



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/018

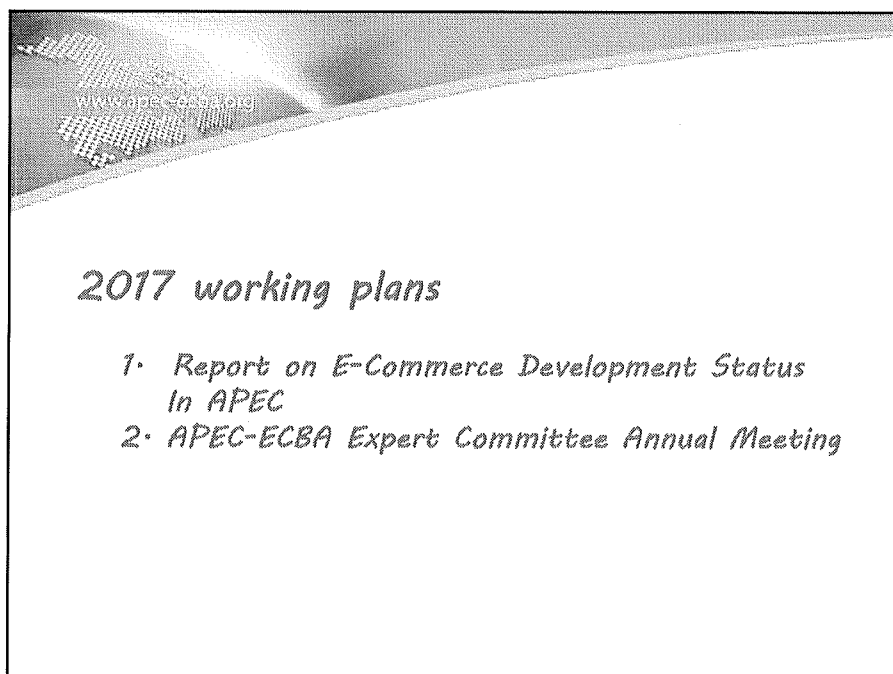
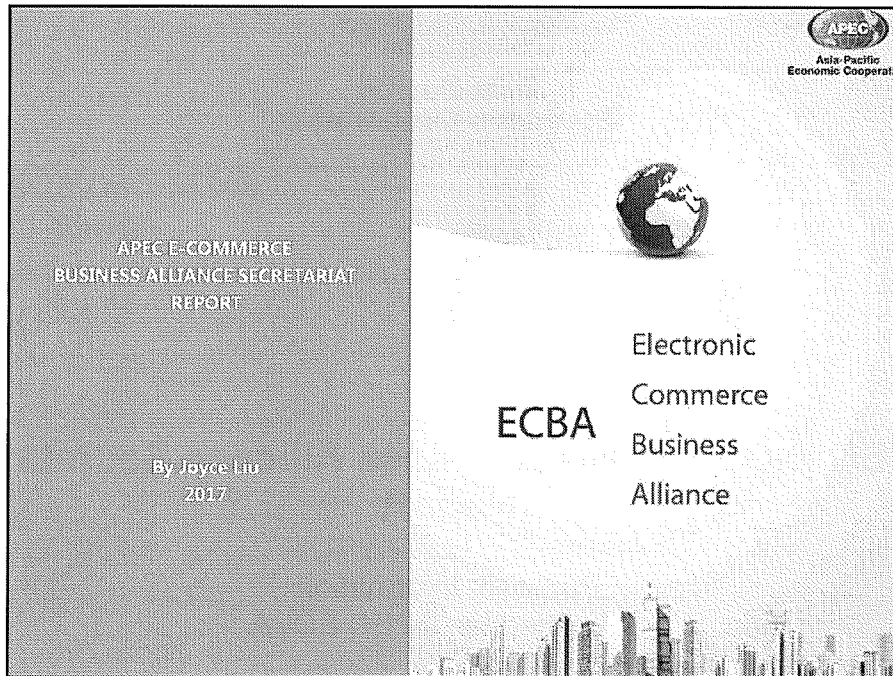
Agenda Item: 14

APEC E-Commerce Business Alliance Secretariat Report

Purpose: Information
Submitted by: APEC ECBA



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**



www.apec-ecba.org

2017 Working Plans

1. Report on E-Commerce Development Status in APEC

From the beginning of 2017, APEC-ECBA plans to release an annual report on E-commerce development status in APEC. All the member economies and experts of ECBA expert committee are encouraged to submit your research articles including data, cases studies, policies analysis, practical approaches, etc. The secretariat will organize all the article authors and experts to hold a seminar to finalize the final version of the report. And the report will be published to all APEC economies members and guests.

The APEC-ECBA secretariat will start the solicitation of material soon by email information, welcome all of you involve in it actively.

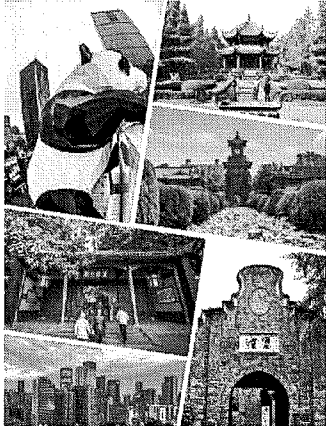
www.apec-ecba.org

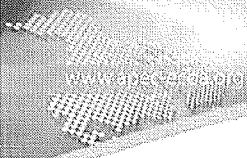
2017 Working Plans

2. 2017 Annual Meeting of Expert Committee of APEC-ECBA

Time: November
Venue: Chengdu or Yibin
Participants include:

- 32 members of Expert Committee
- Article authors
- Think Tank representatives
- Association & Alliances
- Enterprise representatives


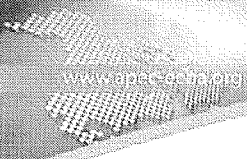




2017 Working Plans

Proposed Agenda:

- Discuss specific action plans of further implement "Jinjiang Proposal"
- Discuss to final version of "APEC E-commerce Development Status Report(2017)", and release it officially.
- Proposals on big data and digital economy, including pilot project, collaboration approaches, etc.



APEC E-Commerce Business Alliance

Thanks for Your Attention and Support !

Ms. Joyce Liu
Executive Secretary
Tel. +86-10-67800210
joyceliu@ec.com.cn

APEC-ECBA Secretariat



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/019

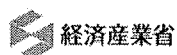
Agenda Item: 15(a)(i)

Global Data-Flow Facilitation

Purpose: Consideration
Submitted by: Japan



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**



Global Data-flow Facilitation

Ministry of Economy, Trade and Industry
Japan

JETRO/METI symposium on digital trade (2/27/2017) “International Trade Rules in the Digital Age – Challenges and Prospects”

- In a world where we are witnessing the advancement of digitalisation in a broader socio-economy such as the Internet of Things (IoT), the flow of digitalised information, i.e. digital data, has become an essential element for global economic activities. **At the same time**, numbers of regulatory measures and policies that have an adverse effect on the flow of digitalised information and e-commerce are rapidly increasing in recent years.
- JETRO (Japan External Trade Organization) and METI co-organized the international symposium on digital trade. In the symposium, experts on the front line of the concerned topic from both academia and think tanks, as well as private business practitioners, were invited to discuss topics such as the current status of various countries' regulatory policies and their impact on businesses, the relationship with existing trade rules such as those of the WTO and challenges in the rule-making of the flow of data. Presenters also engaged in the discussion of prospects of “digital trade rules” that would sustain the digitalised society and economy of the 21st century.

[Participants]**Session 1: “Expansion of Digital Trade and Impact on Businesses”**

Moderator: Mr. Kazumi Nishikawa (Director for Trade Strategy, METI)

Panellists:

- Mr. Hosuk Lee-Makiyama (Director, European Centre for International Political Economy)
- Mr. Javier Lopez Gonzalez (Trade Policy Analyst, Trade and Agriculture, OECD)
- Mr. Marc Dragon (CEO, Y3 Technologies)
- Mr. Steve Stewart (Director, Market Access & Trade, IBM)
- Dr. Makoto Yokozawa (Keidanren; Senior Consultant, Nomura Research Institute)

Session 2: “Challenges and Prospects of Digital Trade Rules”

Moderator: Ms. Maki Kunimatsu (Chief Analyst, Economic & Social Policy Department, Mitsubishi UFJ Research and Consulting, Co., Ltd./ Visiting Professor, Graduate School of Strategic Management, Chuo University)

Panellists:

- Dr. Mira Burri (Senior Lecturer, Managing Director Internationalization, University of Lucerne)
- Mr. Joshua Meltzer (Senior Fellow, Global Economy and Development, Brookings Institution)
- Mr. Cheng Ouyang (Executive Senior Advisor, Ali Cross-border E-commerce Research Center; Director, China Cross-border E-commerce 50 Forum; Researcher, APEC E-commerce Business Alliance Experts Committee; Deputy Director, Alibaba Research Institute)
- Mr. Tomoo Shibano (Partner, TMI Associates; Adjunct, Keio University Law School)
- Mr. Michitaka Nakatomi (Consulting Fellow, RIETI)

Topics and main hypotheses discussed during the symposium**1. The nature and impact of data**

- Data is similar to natural resources in the sense that it may generate value. However, it can be easily shared among different users across borders.
- 80% of all the information available is unstructured, compiled and systemized into databases. However, new technologies, such as cognitive computing, make it possible to utilize such unstructured information.
- Beneficiaries of free flow of data are not exclusively in developed countries but also developing countries for given their service exports, outsourcing business or the participation in global trade using digital platforms.
- There are various digital and infrastructure layers that are needed to maximize opportunities of the internet and cross-border data flows for digital trade. These include all layers of potential restrictions, such as investment, content, service provision, network and product manufacturing.

2. Trends on data localization and other restrictions of data flows

- The number of cross-border data flow and data storage restrictions is growing. Data flow restrictions are likely to have a greater impact on industries which rely heavily on exports or which are highly integrated in GVCs, and could have spill-over effects on neighbouring countries. Storage restrictions may benefit the data industry but will mean a loss in competitiveness of other sectors relying on data industry inputs. Net effect is likely to be negative.
- Restricting data usage has a direct negative impact on businesses by reducing competitiveness of domestic industries, disabling future business models and causing uncertainties for trade.
- Not just regulations and policies, but also the mindset of people affects usage of data utilization in new industries or emerging economies. Also the ideas from the sharing economy can be applied to all dimensions of existing business processes, such as supply chain management.
- Data localization requirements by raising the costs of digital services, such as cloud computing, have a bigger negative impact on SMEs, potentially more so than multinationals.

3. The balance between legitimate policy objectives and protectionism

- As every country has its own history, political priorities and context, there will be no one size fits all solution on rules to govern data. However, sharing best practice between governments and business and civil society participation in regulatory process can help avoid regulation that unnecessarily restricts cross-border data flows.
- Businesses will need to play a key role in advocating for and supporting a better digital trading environment.
- Raised awareness and educating of policy makers are necessary for better policy making.
- New digital trade rules should build on and compliment, or not rollback from existing commitments, such as those under the GATS.

4. Appropriate fora for discussion

- Initiative for digital trade should be encouraged in multilateral, plurilateral, regional and bilateral trade fora.
- Necessity of global rule-making on digital trade should be highlighted. Considering the global nature of the digital economy, a multilateral approach may be preferable.
- Private-Public dialogue and inter-ministry/agency communication are necessary at a domestic level for ambitious commitments on digital trade rules, and to minimize exceptions from those commitments.
- Dialogue within various institutes including OECD, APEC and UNCTAD is necessary.

5. Individual Governmental action

- It should be in the interest of every government, regardless of the development stage of their economy, to establish a digitalization strategy even if some countries may have expressed less interest on such issues.
- A holistic view and analysis on digital issues may work well. The ongoing initiative of the EU Digital Single Market Strategy may give us evidence in this regard.
- Horizontal regulatory issues, such as IP, competition, or privacy, are of great importance on digitalization.

6. Trade negotiations

- In WTO, the following elements/approaches should be pursued.
 - ✓ Negotiation of “WTO plus” rules and commitments to cover data
 - ✓ Expanding the WTO Reference paper on Basic Telecoms on free flow of data
 - ✓ A digital version of WTO Trade Facilitation Agreement
 - ✓ Transparency on data-related measures through TPRM
- However, the WTO is “offline” and its work is progressing slowly. FTAs/RTAs, such as TPP, Japan-EU, TiSA, TTIP, RCEP, might be better suited in the short term for pursuing consensus and plays an increased role for future rule-making.
- TPP provisions on digital trade provide the best regulatory model so far. But even here more can be done.

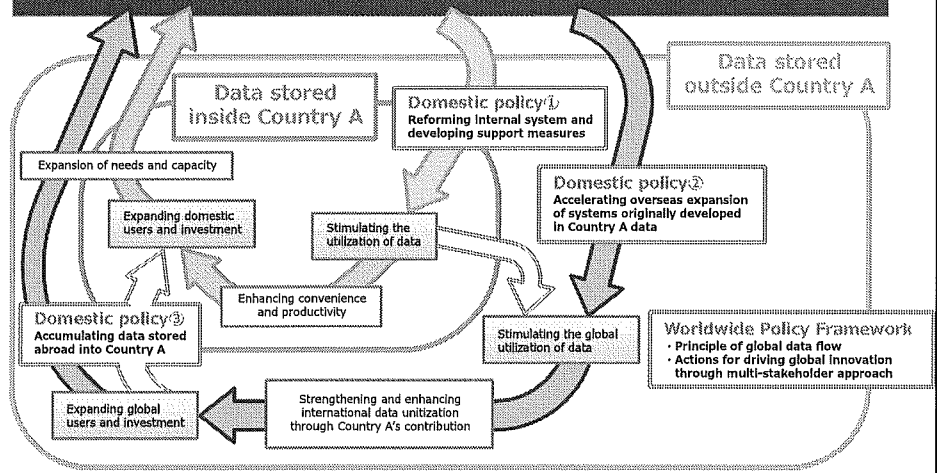
7. Other aspects on cooperation

- A comprehensive package of rules covering both developed and developing economies is necessary.
- All stakeholders should be engaged and consulted in the development of digital rules.
- Further studies within a multi-stakeholder setting are needed to prioritize amongst various issues to be addressed in the coming set of rules. The need for continuous dialogue was recognized.
- Common standard setting on cross-border data-sharing might be necessary.

Concept of Global Data Flow Facilitation

Conceptual diagram of Global Data Flow Facilitation

Data utilization contributes to the growth of world economy, especially in developing countries and SME.



Elements to be shared globally

(1) Principle of global data flow

- i. Considering the characteristics of each data;
 - > Public data (government/academic data) : To encourage free sharing
 - > Personal data : To encourage transparent collection and sharing with consent by the person
 - > Industrial data (non-personal data) : To encourage contract-based sharing
- ii. Separation of government-controlled data service and competition-based data service
- iii. Employ the least global data flow restrictive measures

(2) Actions for driving global innovation through Public-Private approach;

- i. Sharing of best practices of data utilization, such as success stories of SME
- ii. Cooperation on human resources development in developing countries
- iii. Establishment of open and common protocol to facilitate data flow and utilization
- iv. Fair opportunities for data access

12

Regulatory responses

1. Employ a holistic view for global data facilitation which covers domestic policy and external policy of a government

<Example of "Best Practice" for data utilization>

- i. Domestic policy reform to change mindset, business style and regulations;
 - Mindset: to improve literacy on risk and chance of cyber space and on solutions
 - Business style: to encourage contract-based data sharing and data transfer/portability service
 - Regulations: to employ the least data flow restrictive approaches with flexibility/options
- ii. Level playing field between domestic business and foreign businesses for application of regulations

2. Global cooperation for better environment for global data utilization

<Example of global cooperation>

- i. More and frequent "best practice" sharing among governments is necessary since the digital issue is new and rapidly changing area.(eg.intellectual policy, privacy policy, competition policy, consumer policy and fiscal policy)
- ii. Cybersecurity cooperation
- iii. Soft approach for global data flow rule making (eg. APEC CBPR)
- iv. Rule making in FTAs/RTAs and WTO

13

Public, Private and Academic Cooperation to increase support for global data facilitation

Analysis on economic impact of global data flow

- Examine the impact of global data flow facilitation, from global welfare perspective, especially in developing countries and SMEs.
- Examination points:
 - i. Solutions for social problems brought by data
 - ii. Initiated further innovation brought by data
 - iii. Achieved economic growth brought by global data utilization
 - iv. Improved SME globalization brought by data
 - v. Improved accessibility and usability of data for the public

Success of APEC CBPR as a symbol of soft approach for rule making

14

Economic Analysis on Data Flow (current)

➤ The analysis method for economic effect of data flow has not been fully established, but it is certain that international data-flow has a positive effect on global economic growth.

- **Economic effect of international data-flow surpassed that of traditional goods trade.**
Data flow accounts for \$2.8 trillion in global GDP growth in 2014, a larger impact than what traditional goods flows made. In addition, there are quite a lot of opportunities for SMEs to participate the data-related business. (Estimate by McKinsey Global Institute)
- **Economic growth brought by broadband penetration in developing countries is larger than that in developed countries.**
10% increase in broadband penetration rate could bring economic growth of 1.38% in developing countries, and 1.21% in developed countries. (estimate by World Bank)
- **IoT market is expected to grow up to 17%**
It would amount to \$1.7 trillion in 2020. (Estimate by IDC)
It could possibly create economic value of \$11 trillion in 2025. (Estimate by McKinsey Global Institute)
- **Economic and social value of open data is increasing.**
The effect of open data, especially public info, leads to GDP growth of 0.5 ~ 4.0% (according to the analysis of various reports by OECD).
- **Removing data localization measures in EU are estimated to generate GDP gains.**
If existing data localization measures are removed, GDP gains are estimated to up to 8 billion euros per year (up to 0.06% of GDP), which is on par with the gains of recent FTAs conducted by the EU. (according to the policy brief by ECIPE.)

15

“Economic impact of cross-border data flow”

- **RIETI (Research Institute of Economy, Trade and Industry, Japan) will start a new project to analyze economic effect/impact of international data flow with the cooperation of METI.**

This project is an empirical analysis of corporate global activities in the digital economy. RIETI intends to clarify the current state of cross-border data transfers by gathering firm-level data. RIETI will also try to conduct an econometric analysis of international data flow together with other existing statistics.

Expected schedule of the project (from May 2017 to April 2019)

- *The end of May 2017: Kick off the project*
- *During 2017: Hold working sessions with knowledgeable persons and discuss the well-suited analysis method including the way to gather meaningful data from firms*
- *In 2018: Conduct a fact-finding survey of cross-border data flow in Japanese firms*
- *April 2019: Conclude the project and publish a report*

Contact: Mitsuhide HOSHINO, Director of Research, RIETI
 E-mail: hoshino-mitsuhide@rieti.go.jp
 URL: <http://www.rieti.go.jp/>

16

“Globally increasing regulations/measurements against international data flow”

- **METI (Ministry of Economy, Trade and Industry, Japan) conducts a new study/analysis of regulations which disturb global data flow.**

The number of regulations related international data flow is globally increasing and the types of such regulations/measurements are various in each country. In this circumstance, not enough inclusive studies about the regulations exist. METI intends to categorize the regulations according to targets, purposes, and so on and to deepen understanding what kinds of regulations are there in each country and whether the regulations are legitimate methods to achieve the purposes or smaller-level regulations exist to do so.

17

Merits of Obtaining CBPR Certification (in general)

Giving "Trust" Necessary in Business based on International Privacy Framework

Data Acquisition (Company A) → **Data Processing** (Company B) → **Data Storage** (Company C)

Trust connects Company A to Company B, Company B to Company C, and the User to the flow.

- Promoting flow of data by resolving users' and companies' concerns over privacy protection
- International framework gives more trust with transparency and facilitation than domestic one
- Dissemination of CBPR will develop businesses' culture of privacy protection

APEC/CBPR system, based on international privacy framework, could be a global standard of privacy protection system

In other business domains, respective international ecosystems are already established, such as ISO14001 (Environment Management System), ISO9001 (Quality Management System), ISMS (Information Security Management System), etc.

18

Increasing Interests in CBPRs among APEC Economies

- A survey by Vietnam/APEC on the readiness for joining CBPRs, intention of APEC economies for joining in CBPRs is as follows:
 - > 2 (KOR and PHL) have plans to join
 - > 6 (AUS, HKG, RUS, SGP, TWN, and VNM) are considering

Intention for Joining in CBPRs

- Joined
- Plan to join
- Considering
- Unable to join
- No plan to join
- No response

Source: SURVEY ON THE READINESS FOR JOINING CBPRs 2016 (APEC/Vietnam)

Having a plan
Korea
Philippines
Considering
Australia
Hong Kong
Russia
Singapore
Chinese Taipei
Vietnam

*Application was submitted last December

*Application for joining CPEA was submitted.

*Organized CBPR workshop last year. (METI, PPC and JIDEC participated)

Number of Certified Companies
USA: 19, Japan: 1

Need more participation of business to CBPRs, which leads to additional expansion of CBPR economies.

19



**Asia-Pacific
Economic Cooperation**

2017/SOM3/ECSG/020

Agenda Item: 16

APEC Services Competitiveness Roadmap Baseline Indicators

Purpose: Consideration

Submitted by: Policy Support Unit, APEC Secretariat



**36th Electronic Commerce Steering Group Meeting
Ho Chi Minh City, Viet Nam
23 August 2017**



**Asia-Pacific
Economic Cooperation**

**Advancing Free Trade
for Asia-Pacific Prosperity**

APEC Services Competitiveness Roadmap (ASCR) Baseline Indicators

Draft Report – Not for public circulation

APEC Policy Support Unit
August 2017

Prepared by:

Gloria O. Pasadilla, Andre Wirjo, and Kathrina G. Gonzales*

Asia-Pacific Economic Cooperation Policy Support Unit

Asia-Pacific Economic Cooperation Secretariat

35 Heng Mui Keng Terrace

Singapore 119616

Tel: (65) 6891-9600 Fax: (65) 6891-9690

Email: psugroup@apec.org Website: www.apec.org

Produced for:

Asia-Pacific Economic Cooperation

Senior Officials Meeting

APEC#217-SE-01.12



This work is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 3.0 Singapore License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-sa/3.0/sg/>.

* Respectively, Senior Analyst, Analyst, and Researcher at APEC Policy Support Unit. We thank Rhea Crisologo Hernando for editing the document.

The views expressed in this paper are those of the authors and do not necessarily represent those of APEC Member Economies.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
Overarching Target #1:.....	6
Overarching Target #2:.....	9
Overarching Target #3:.....	10
APEC-wide actions vis-à-vis Indicators	17
APEC-wide action #1	17
APEC-wide action #2	18
APEC-wide action #3	22
APEC-wide action #4	23
APEC-wide actions #5, #6, and #7	30
APEC-wide action #8	31
APEC-wide action #9	32
APEC-wide action #10	34
APEC-wide action #11	39
APEC-wide action #12	49
APEC-wide action #13	54
APEC-wide action #14	56
APEC-wide action #15	57
APEC-wide actions #16, #17, #18, and #19	58

LIST OF TABLES

Table 1. OECD STRI most and least restrictive services sectors in APEC, 2016.....	7
Table 2. Summary of APEC-wide actions.....	12
Table 3. Percentage of SMEs in APEC economies exporting directly or indirectly, latest year available.....	17
Table 4. OECD STRI and ratio in selected sectors for APEC economies, 2016.....	18
Table 5. World Bank STRI and ratio in selected sectors for APEC economies, 2008 or 2011.....	19
Table 6. OECD STRI ratio to lowest value in selected services sector for APEC economies, 2016.....	23
Table 7. World Bank STRI index and ratio in certain services sector for APEC economies, 2008 or 2011.....	27
Table 8. Inbound students in tertiary education from other APEC economies to destination economies.....	31
Table 9. Status of member economies' participation in APEC CBPR and PRP Systems.....	32
Table 10. Number of firms participating in the APEC CBPR and PRP Systems.....	32
Table 11. Status of online protection laws in APEC.....	33
Table 12. OECD STRI and ratio in commercial banking and insurance sector for APEC economies, 2016.....	34
Table 13. World Bank STRI and ratio in banking and insurance sector for APEC economies, 2008 or 2011.....	35
Table 14. Status of APEC economies' participation in Asia Region Funds Passport (ARFP) initiative.....	37
Table 15. OECD STRI and ratio in logistics and transportation sector for APEC economies, 2016.....	41
Table 16. Type of air service agreements (ASAs).....	42
Table 17. World Bank STRI ratio in logistics and transportation sector for APEC economies, 2008 or 2011.....	48
Table 18. International tourism arrivals to APEC economies.....	49
Table 19. Number of APEC economies requiring visa from the origin economy.....	50
Table 20. Number of APEC economies required to obtain visa by the destination economy.....	51
Table 21. APEC international tourism receipts, 2015.....	51
Table 22. Direct contribution of APEC travel and tourism to Gross Domestic Product (GDP) and employment, 2016.....	53
Table 23. Baseline measures/indicators for trade in services, latest year available.....	55
Table 25. Prevalence of food inadequacy.....	56
Table 26. APEC renewable energy.....	57
Table 27. APEC energy intensity.....	57

LIST OF FIGURES

Figure 1. Average STRI services score for APEC, 2016.....	6
Figure 2. Major contributors to restrictiveness in services sectors, 2016.....	7

Figure 3. APEC's export of commercial services and its share of world commercial services export, 2006-2015	9
Figure 4. APEC's trade in commercial services, 2006-2015	10
Figure 5. APEC vis-à-vis world services value-added in 2014 (as a percentage of GDP).....	11
Figure 6. Ratio of APEC economies' OECD STRI to lowest OECD STRI value, 2016	18
Figure 7. Ratio of APEC economy's World Bank STRI to lowest World Bank STRI value, 2008 or 2011	19
Figure 8. Presence of MRAs with other APEC economies	21
Figure 9. OECD STRI ratio to lowest value in logistics cargo handling sector for APEC economies, 2016	25
Figure 10. OECD STRI ratio to lowest value in telecommunications sector for APEC economies, 2016	25
Figure 11. OECD STRI ratio to lowest value in air transport sector for APEC economies, 2016.....	26
Figure 12. OECD STRI ratio to lowest value in commercial banking sector for APEC economies, 2016	26
Figure 13. World Bank STRI ratio to lowest value in financial sector for APEC economies, 2008 or 2011	27
Figure 14. World Bank STRI ratio to lowest value in telecommunications sector for APEC economies, 2008 or 2011	28
Figure 15. World Bank STRI ratio to lowest value in transportation sector for APEC economies, 2008 or 2011	28
Figure 16. World Bank STRI ratio to lowest value in professional sector for APEC economies, 2008 or 2011	29
Figure 17. OECD STRI ratio to lowest value in commercial banking sector for APEC economies, 2016	34
Figure 18. OECD STRI ratio to lowest value in insurance sector for APEC economies, 2016	35
Figure 19. World Bank STRI ratio to lowest value in financial sector for APEC economies, 2008 or 2011	36
Figure 20. World Bank STRI ratio to lowest value in banking sector for APEC economies, 2008 or 2011	36
Figure 21. World Bank STRI ratio to lowest value in insurance sector for APEC economies, 2008 or 2011	37
Figure 22. OECD STRI ratio to lowest value in logistics freight forwarding sector for APEC economies, 2016	39
Figure 23. OECD STRI ratio to lowest value in marine transport sector for APEC economies, 2016.....	39
Figure 24. OECD STRI ratio to lowest value in road freight transport sector for APEC economies, 2016	40
Figure 25. OECD STRI ratio to lowest value in courier sector for APEC economies, 2016..	40
Figure 26. World Bank STRI ratio to lowest value in transportation sector for APEC economies, 2008 or 2011	45
Figure 27. World Bank STRI ratio to lowest value in air passenger international sector for APEC economies, 2008 or 2011	45

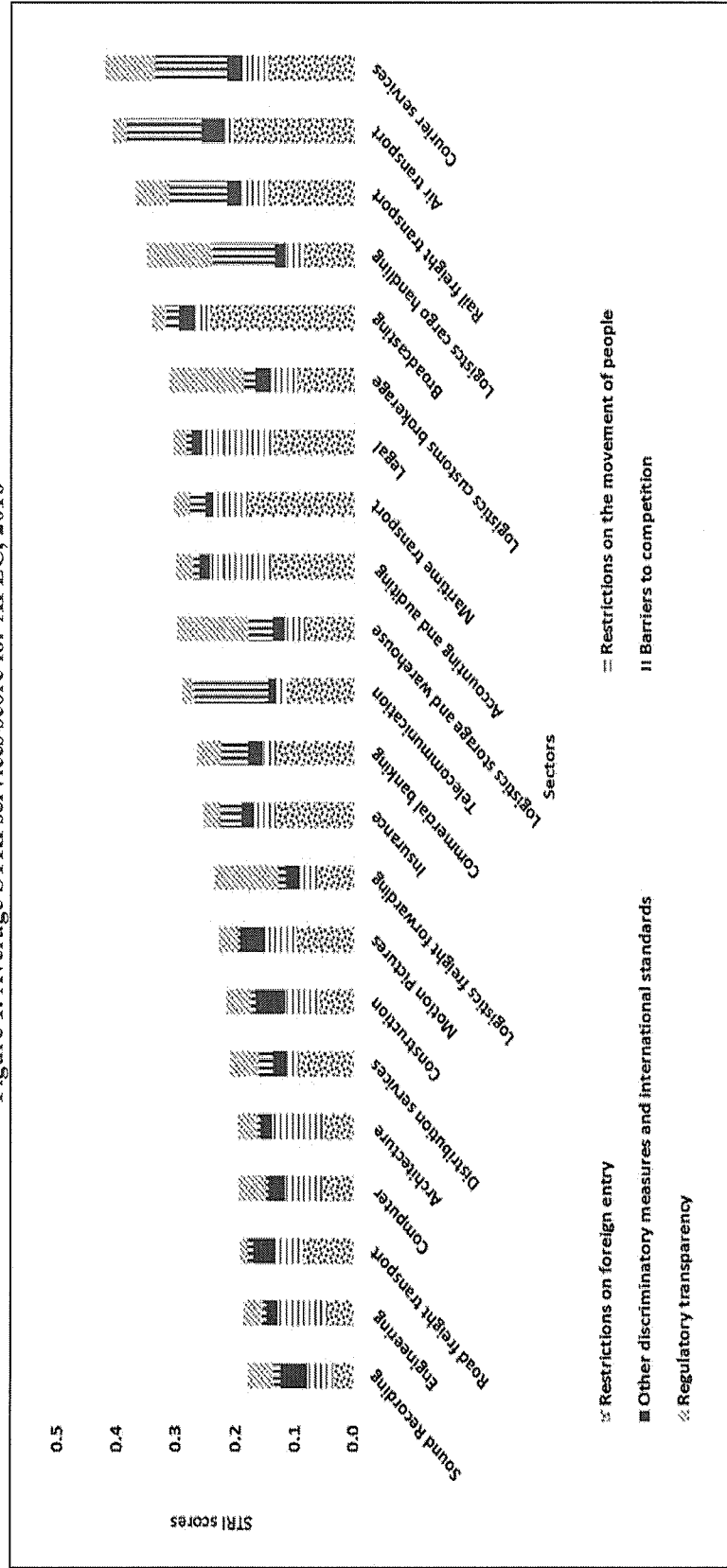
Figure 28. World Bank STRI ratio to lowest value in maritime shipping international sector for APEC economies, 2008 or 2011	46
Figure 29. World Bank STRI ratio to lowest value in maritime auxiliary sector for APEC economies, 2008 or 2011	46
Figure 30. World Bank STRI ratio to lowest value in road freight domestic sector for APEC economies, 2008 or 2011	47
Figure 31. World Bank STRI ratio to lowest value in rail freight domestic sector for APEC economies, 2008 or 2011	47
Figure 32. Top 10 APEC economies in terms of international tourism arrivals in 2015	50
Figure 33. Top 10 APEC economies in international tourism receipts in 2015	52
Figure 34. Top 10 APEC economies in terms of direct contribution to GDP per person employed in the tourism sector, 2016	53

EXECUTIVE SUMMARY

- In 2015, APEC Leaders endorsed the APEC Services Cooperation Framework (ASCF) which called for the development of a strategic and long-term Services Competitiveness Roadmap.
- In 2016, APEC Leaders endorsed the APEC Services Competitiveness Roadmap (ASCR) and its accompanying Implementation Plan. The Roadmap contains APEC-wide actions and mutually agreed overarching targets to be achieved by 2025, with a mid-term review in 2021.
- For purposes of monitoring and evaluation, the ASCR tasked the chairs of the accountable fora to report progress on the APEC-wide initiatives, and later assigned the APEC Group of Services (GOS) to coordinate the groups' reporting to the Senior Officials' Meeting (SOM). The GOS, in fulfilling its mandate to track progress in the ASCR implementation, proposed the matrix of action agenda at SOM2 2017. The monitoring of such matrix is the responsibility of GOS and is distinct from this PSU report.
- The Roadmap explicitly tasked the APEC Policy Support Unit (PSU) to facilitate the implementation and monitor progress of the ASCR. The PSU prepared these baseline indicators to facilitate the mid-term review in 2021 and the final review in 2025.
- The PSU uses as guide the indicators proposed in Annex 3 of the ASCR Implementation Plan. Alternative indicators are also used, taking into account such factors as data availability, regularity, comparability, and source credibility. The PSU is cognizant of the fact that selected indicators may be, at best, indirect measures of progress of each APEC-wide action.
- The PSU made presentations at the meetings of relevant fora to raise awareness about ASCR and to encourage ownership of their own APEC-wide actions along with the corresponding assessment indicators. To date, the PSU had briefed the CTI, HRDWG, BMG, GOS, ECSG, AHSGIE, PPFs, TPTWG, TWG, FMP, SMEWG, TELWG, EWG, PPSTI, and IEG.
- This report contains the compilation of baseline indicators. More indicators will be added for the four newly added fora, namely: SMEWG, TELWG, IEG, and PPSTI. These new additions are based on the SOM-endorsed paper entitled "Responsibility of the Group on Services in Supporting Senior Officials in Monitoring and Encouraging Action to Implement the APEC Services Competitiveness Roadmap". The PSU will update this report when proposed indicators and other relevant information are available from the newly-added fora.

Overarching Target #1: Ensuring an open and predictable environment for access to services markets by progressively reducing restrictions to services trade and investment.

Figure 1. Average STRI services score for APEC, 2016



Notes: OECD STRI = 0 (completely open) – 1 (completely closed). China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; The Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.
 Source: PSU calculations, OECD Services Trade Restrictiveness Index Regulatory (STRI) Database (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 25 April 2017.

Table 1. OECD STRI most and least restrictive services sectors in APEC, 2016

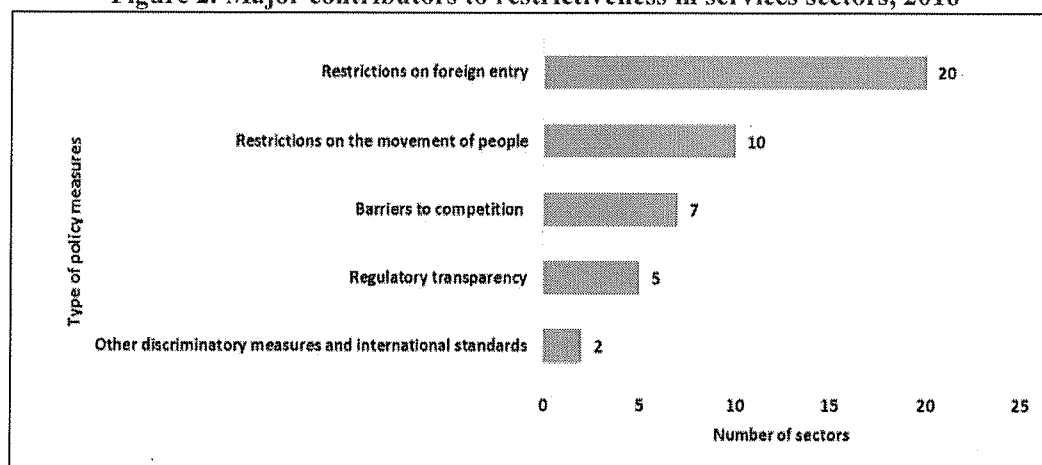
Economies	Most Restrictive Sector	Least Restrictive Sector
Australia	Courier services	Engineering services
Canada	Air transport	Road freight transport
Chile	Courier services	Accounting and auditing services
China	Courier services	Engineering services
Indonesia	Legal services	Sound recording
Japan	Air transport	Sound recording
Korea	Accounting and auditing services; and Rail freight transport	Distribution services
Mexico	Logistics customs brokerage	Accounting and auditing services
New Zealand	Air transport	Computer services
Russia	Logistics storage and warehouse	Distribution services
United States	Air transport	Telecommunication

Notes: China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; The Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam. Please refer to accompanying excel spreadsheet OT#1.1 in the PSU website for the complete list of sectors with corresponding OECD STRI.

Source: OECD STRI Database (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 25 April 2017.

The environment for access to services markets is best assessed using the services trade restrictiveness index (STRI). For this purpose, the OECD STRI is used to compute for the average restrictiveness in APEC. The data show that courier services is the most restrictive services sector in the APEC region (0.421), followed by air transport (0.408), and rail freight transport (0.369) (Figure 1). Analysis by economy (Table 1) shows that air transport features as the most restrictive sector in four economies (Canada; Japan; New Zealand; and United States), while courier is the most restrictive sector in three economies (Australia; Chile; and China). The main type of measures which contribute to the relatively higher restrictive scores for the mentioned three sectors relate to those restricting foreign entry and acting as barriers to competition.

Figure 2. Major contributors to restrictiveness in services sectors, 2016

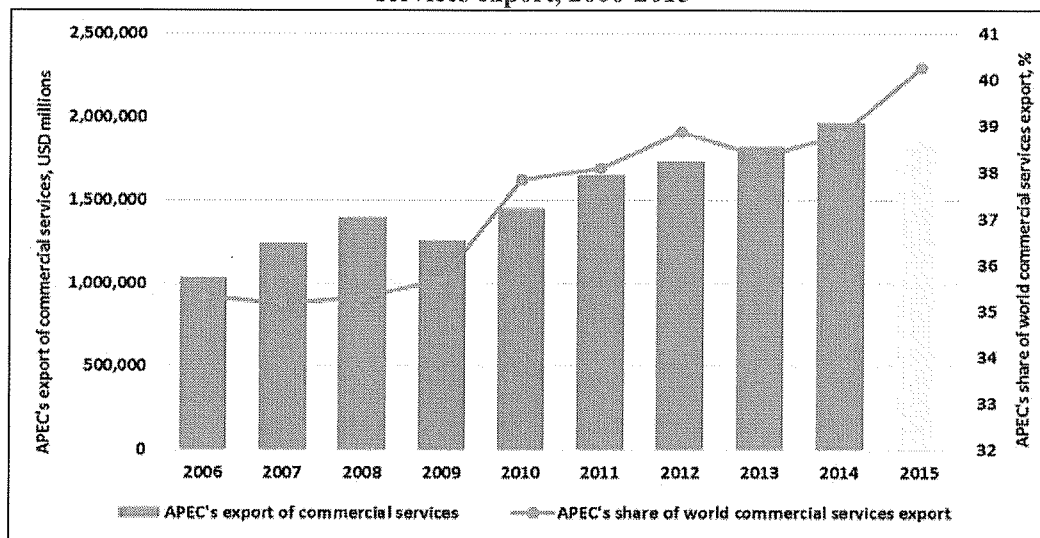


Source: PSU calculations, and OECD STRI Regulatory Database (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 25 April 2017.

Figure 2 shows that restrictions on foreign entry and movement of people contribute the most to the STRI score. In particular, restrictions on foreign entry are among the top two policy measures in all services sectors except in logistics cargo handling and sound recording. On the other hand, the sectors where restrictions on movement of people is the number one contributor to the STRI are architecture, computer and engineering.

Overarching Target #2: *Increasing the share of services exports from APEC economies in the total world services exports so that it exceeds the current share by 2025.¹*

Figure 3. APEC's export of commercial services and its share of world commercial services export, 2006-2015

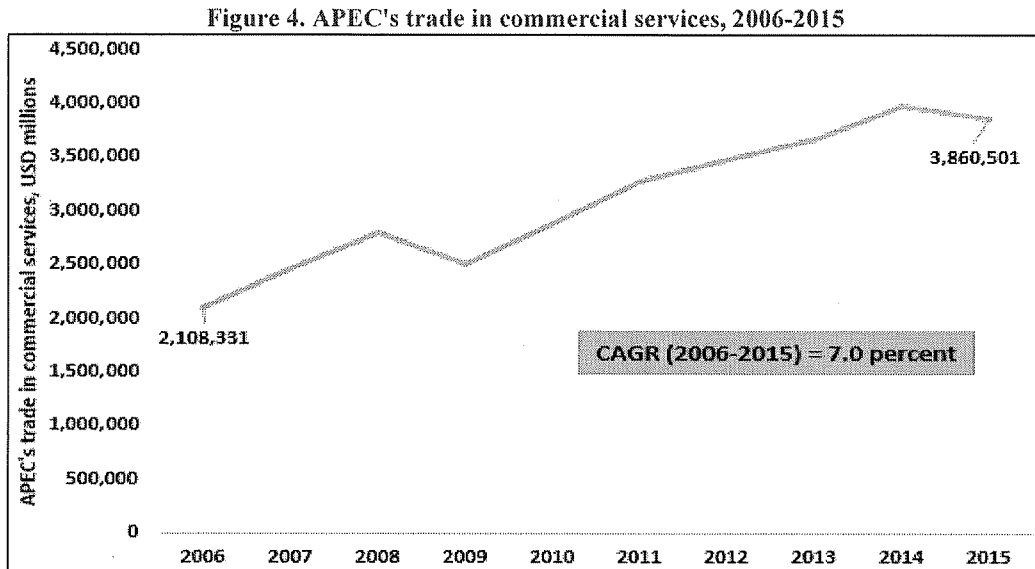


Source: PSU calculations, and World Trade Organization (WTO) Time Series (<http://stat.wto.org/StatisticalProgram/WSDDBStatProgramSeries.aspx?Language=E>), accessed 20 April 2017.

APEC's total commercial services exports have generally increased over the last decade. In 2015, APEC's exports of commercial services were valued at more than USD1.9 trillion, up from about USD1.0 trillion in 2006 (Figure 3). APEC's share of world commercial services exports has also increased over time, from around 35 percent in 2006 to 40 percent in 2015.

¹ In 2014, APEC's share of total world services exports was 38.4 per cent.

Overarching Target #3: Increasing trade-in-services in the APEC region so that by 2025, both the compound average annual growth rate (CAGR) exceeds the historic average of 6.8 percent² and the share of value-added of the services sector in the total GDP of the APEC region exceeds the global average level.

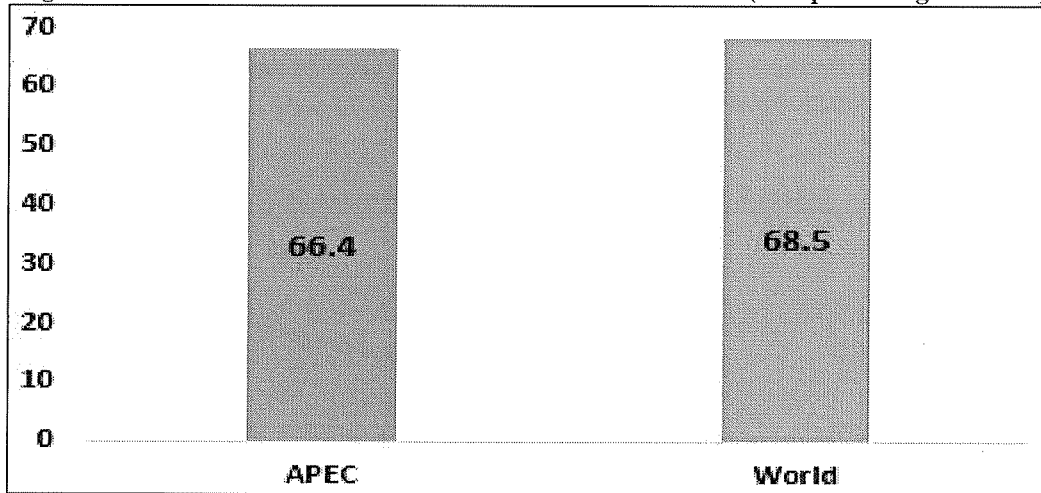


Source: WTO Time Series (<http://stat.wto.org/StatisticalProgram/WSDBStatProgramSeries.aspx?Language=E>), accessed 20 April 2017.

APEC's total trade in commercial services increased from USD2.1 trillion in 2006 to USD3.9 trillion in 2015 (Figure 4), at a CAGR of 7.0 percent. The top economies in 2015 are the United States (USD1.2 trillion); China (USD752 billion); and Japan (USD332 billion), which collectively contributed close to 60 percent of APEC's total trade in commercial services.

² WTO Statistics Database

Figure 5. APEC vis-à-vis world services value-added in 2014 (as a percentage of GDP)



Note: For the APEC aggregate, data for Canada referred to 2013 data, while data for New Zealand used 2012 data. Data not available for Papua New Guinea.

Source: World Bank (WB) World Development Indicators (WDI) (<http://data.worldbank.org/indicator/NV.SRV.TETC.ZS>), and Chinese Taipei's National Statistics (<http://eng.stat.gov.tw/ct.asp?xItem=37408&CiNode=5347&mp=5>), accessed 21 April 2017.

APEC's services value added (as a percentage of GDP) was 66.4 percent in 2014, lower than the world's at 68.5 percent (Figure 5).

The 19 APEC-wide actions and corresponding indicators are summarized below (Table 2). Details of the PSU's evaluation of APEC's current conditions vis-à-vis these agreed actions using appropriate international benchmarks are detailed in the sections under each APEC-wide action.

Table 2. Summary of APEC-wide actions

No.	APEC-wide action	Accountable group	Indicators	Proposed by	Source
1	Enhancing the critical role of trade in services in global value chains, including through increased participation of MSMEs and women, under the agreed Strategic Blueprint for Promoting Global Value Chains Development and Cooperation.	CTI	<ul style="list-style-type: none"> Percentage of small and medium-sized firms that export directly or indirectly (at least 1% of sales). 	<ul style="list-style-type: none"> PSU 	<ul style="list-style-type: none"> World Bank (WB).
			<ul style="list-style-type: none"> Percentage of small and medium-sized firms that export directly (at least 1% of sales). 	<ul style="list-style-type: none"> PSU 	<ul style="list-style-type: none"> WB.
2	Supporting cross-border mobility for professionals, building on initiatives such as the APEC Architects and Engineers Registers to facilitate mutual recognition arrangements (MRAs).	HRDWG	<ul style="list-style-type: none"> STRI in accounting, architecture, engineering, and legal sector. 	<ul style="list-style-type: none"> PSU 	<ul style="list-style-type: none"> Organisation for Economic Co-operation and Development (OECD).
			<ul style="list-style-type: none"> STRI in accounting, accounting, and legal sector. 	<ul style="list-style-type: none"> PSU 	<ul style="list-style-type: none"> WB.
			<ul style="list-style-type: none"> Cross-recognition of educational standards and professional qualifications. 	<ul style="list-style-type: none"> Annex 3 	<ul style="list-style-type: none"> Member survey & various sources.
3	Enhancing flexibility for business visitors, building on initiatives such as the APEC Business Travel Card (ABTC).	CTI & BMG	<ul style="list-style-type: none"> Development and implementation of an optional APEC-wide online lodgment for ABTC applications. 	<ul style="list-style-type: none"> Annex 3 	<ul style="list-style-type: none"> Group update.
4	Developing a set of good practice principles on domestic regulations in the services sector.	GOS, CTI & EC	<ul style="list-style-type: none"> STRI in selected services sector. 	<ul style="list-style-type: none"> PSU 	<ul style="list-style-type: none"> OECD.
			<ul style="list-style-type: none"> STRI in selected services sector. 	<ul style="list-style-type: none"> PSU 	<ul style="list-style-type: none"> WB.

5	Implementation of the Renewed APEC Agenda on Structural Reform (RAASR), including progressing the 2016 APEC Economic Policy Report (AEPR) on Structural Reform and Services.	GOS, CTI & EC	<ul style="list-style-type: none"> • STRI in selected services sector. • STRI in selected services sector. 	<ul style="list-style-type: none"> • PSU • PSU 	<ul style="list-style-type: none"> • OECD. • WB.
6	Supporting liberalization, facilitation and cooperation of environmental services, by implementing and building on the agreed Environmental Services Action Plan (ESAP).	GOS & CTI	<ul style="list-style-type: none"> • Not available. 	<ul style="list-style-type: none"> • Annex 3 	<ul style="list-style-type: none"> • Not available.
7	Progressive liberalization and facilitation of manufacturing-related services, by implementing and building upon under the agreed Manufacturing Related Services Action Plan (MSAP).	GOS & CTI	<ul style="list-style-type: none"> • STRI in selected services sector. • STRI in selected services sector. 	<ul style="list-style-type: none"> • PSU • PSU 	<ul style="list-style-type: none"> • OECD. • WB.
8	Supporting cooperation in the education sector including promoting internship schemes, overseas student exchange programs, and collaborative policy studies, as well as, in accordance with domestic education systems, information sharing pertinent to economies' education standards, qualifications and credit systems and measures to explore mutual recognition (learning from measures such as the ASEAN Qualifications Reference Framework).	HRDWG	<ul style="list-style-type: none"> • Inbound internationally mobile students in tertiary education by economy of destination. • Cross-recognition of educational standards and professional qualifications. • Mobility of educated workers within region. 	<ul style="list-style-type: none"> • Annex 3 & PSU • Annex 3 • Annex 3 & PSU 	<ul style="list-style-type: none"> • United Nations Educational, Scientific and Cultural Organization (UNESCO) and economy sources. • Member survey and national sources. • Member survey. • Group update.
9	Collaboration in responding to the rapid developments in internet-based technology to promote a regulatory approach that	CTI, ECSG & AHSGIE	<ul style="list-style-type: none"> • Cross-border data flows and privacy (Number of economies and firms participating in APEC Cross-Border 	<ul style="list-style-type: none"> • Group 	<ul style="list-style-type: none"> • Group update.

	<p>provides appropriate prudential oversight, legitimate consumer and security protections while enabling the flow of trade-related data in the context of an increasingly digitalized world.</p>		<p>Privacy Rules (CBPR) and Privacy Recognition for Processors (PRP Systems).</p> <ul style="list-style-type: none"> Status of online protection laws. 	<ul style="list-style-type: none"> Group & PSU 	<ul style="list-style-type: none"> United Nations Conference on Trade and Development (UNCTAD), member survey and economy sources.
<p>10</p>	<p>Supporting certain cross-border provision of financial services subject to practical needs, domestic circumstances and regulations of each economy, including by engagement by interested economies in the building on the Asia Region Funds Passport initiative.</p>	<p>GOS, CTI & FMP</p>	<ul style="list-style-type: none"> STRI in commercial banking and insurance sector. STRI in banking and insurance sector. Number of transactions or cross-border sales between ARFP-participating economies. 	<ul style="list-style-type: none"> PSU PSU Annex 3 	<ul style="list-style-type: none"> OECD. WB. Member survey.
<p>11</p>	<p>Supporting APEC's work on developing air, sea and land transportation in line with the APEC Connectivity Blueprint 2015-2025.</p>	<p>TPTWG</p>	<ul style="list-style-type: none"> STRI in logistics and transport sector. STRI in logistics and transport sector. Air services agreements. 	<ul style="list-style-type: none"> PSU PSU Group 	<ul style="list-style-type: none"> OECD. WB. World Trade Organization (WTO), International Civil Aviation Organization (ICAO), Association of Southeast Asian Nations (ASEAN) and

12	Support APEC's work on developing the travel and tourism sector for sustainable and inclusive growth, building on the work of the APEC Tourism Strategic Plan.	TWG	<ul style="list-style-type: none"> • International tourism arrivals. • Intra-APEC visa restrictions. • International tourism receipts. • Travel and tourism GDP (direct contribution). • Travel and tourism employment (direct contribution). • Availability of trade in services statistics. • Prevalence of food inadequacy. • APEC share of renewables. • APEC aggregate energy intensity. 	<ul style="list-style-type: none"> • Group • Annex 3 • Group • Group • Group • Annex 3 & PSU • PSU • Group • Group 	<p>economy sources.</p> <ul style="list-style-type: none"> • WB and UN World Tourism Organization (UN WTO). • Passport Index and economy sources. • WB. • World Travel and Tourism Council (WTTC). • WTTC. • Various. • Food and Agriculture Organization (FAO). • Asia Pacific Energy Research Centre (APEREC). • APEREC.
13	Development of services data and statistics to measure and support implementation of the Roadmap and improve tracking of services trade and investment more broadly.	GOS & CTI			
14	Progressive facilitation of services to improve the regional food system to ensure access to safe, high quality food supplies across the Asia-Pacific.	PPFS			
15	Strengthen domestic and regional energy security and lower the carbon intensity of energy supply and use across the region.	EWG			

APEC Services Competitiveness Roadmap (ASCR) Baseline Indicators

16	<i>Group action to be filled up by the group.</i>	IEG			
17	<i>Group action to be filled up by the group.</i>	PPSTI			
18	<i>Group action to be filled up by the group.</i>	SMEWG			
19	<i>Group action to be filled up by the group.</i>	TELWG			

Source: PSU compilations.

APEC-wide actions vis-à-vis Indicators

APEC-wide action #1

A large variation exists among APEC economies in the percentage of small- and medium-sized firms that export directly or indirectly, ranging from 2.2 (Thailand in 2016) to 23.0 percent (Papua New Guinea in 2015) for small firms; and from 4.8 percent (Thailand in 2016) to 34.1 percent (Malaysia in 2015) for medium firms (Table 3).

Table 3. Percentage of SMEs in APEC economies exporting directly or indirectly, latest year available

Economies	Latest Year	Percentage of firms exporting directly or indirectly		Percentage of firms exporting directly	
		Small	Medium	Small	Medium
Chile	2010	4.4	12.4	1.8	11.1
China	2012	14.4	26.3	4.7	13.0
Indonesia	2015	9.8	10.7	6.2	7.9
Korea	2005	7.4	33.3	5.8	31.6
Malaysia	2015	11.2	34.1	4.3	19.5
Mexico	2010	2.8	14.4	1.1	10.7
Papua New Guinea	2015	23.0	6.7	11.5	6.7
Peru	2010	3.8	21.3	2.1	17.1
The Philippines	2015	6.2	11.4	4.7	9.6
Russia	2012	9.1	14.6	6.3	10.2
Thailand	2016	2.2	4.8	2.2	3.7
Viet Nam	2015	10.3	21.3	8.0	13.2

Notes: The WB categorizes firms as follows: *small firms* are those with between 5 and 19 employees; *medium firms* are those with between 20 and 99 employees; *firms exporting directly* are those enterprises that sell goods or services directly to customers in another economy; and *firms exporting indirectly* are those enterprises that sell domestically to a third party that exports products. Data of exporting firms collected by the WB refer to firms exporting at least 1% of sales. Data not available for Australia; Brunei Darussalam; Canada; Hong, Kong, China; Japan; New Zealand; Singapore; Chinese Taipei; and the United States.

Source: WB Enterprise Survey (<http://www.enterprisesurveys.org/Custom-Query>), accessed 21 March 2017.

APEC-wide action #2

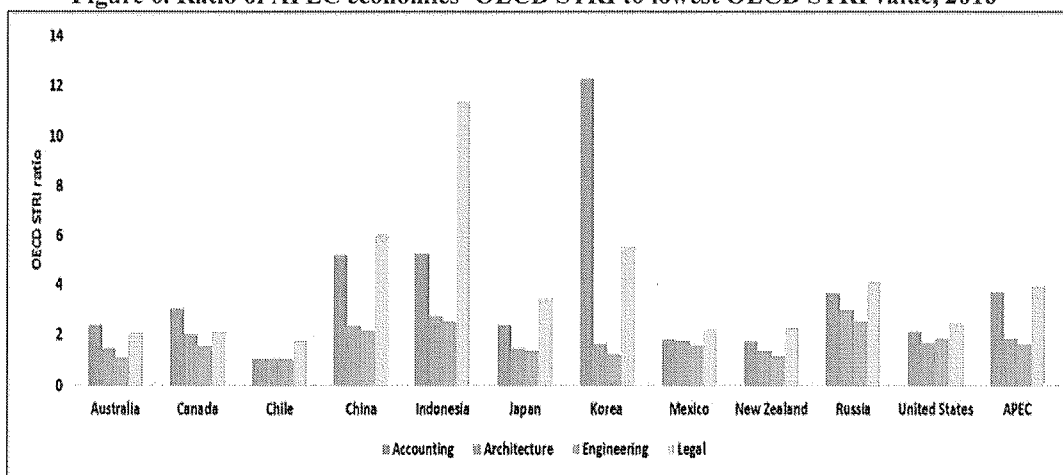
Table 4. OECD STRI and ratio in selected sectors for APEC economies, 2016

Economies	Accounting		Architecture		Engineering		Legal	
	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value
Australia	0.193	2.382	0.153	1.453	0.123	1.086	0.158	2.037
Canada	0.247	3.045	0.210	1.996	0.179	1.579	0.165	2.123
Chile	0.081	1.000	0.112	1.063	0.113	1.000	0.136	1.745
China	0.423	5.205	0.248	2.347	0.245	2.164	0.472	6.071
Indonesia	0.424	5.218	0.287	2.723	0.286	2.525	0.879	11.311
Japan	0.194	2.384	0.153	1.453	0.153	1.346	0.268	3.447
Korea	1.000	12.312	0.173	1.643	0.137	1.206	0.428	5.512
Mexico	0.145	1.786	0.185	1.756	0.184	1.620	0.170	2.193
New Zealand	0.138	1.705	0.142	1.344	0.127	1.124	0.176	2.266
Russia	0.295	3.631	0.312	2.957	0.287	2.535	0.318	4.087
United States	0.171	2.111	0.177	1.679	0.206	1.817	0.192	2.470
APEC	0.301	3.707	0.196	1.856	0.186	1.637	0.306	3.933

Notes: OECD STRI = 0 (completely open) – 1 (completely closed). China data have not been officially ratified. Ratios are computed by dividing the index over the lowest positive value in the data set per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.
 Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 8 March 2017.

Based on the OECD STRI ratio, the legal sector was the most restrictive professional sector in 8 out of 11 APEC member-economies in 2016, followed by the accounting sector. In contrast, the engineering sector was the least restrictive professional sector in 10 out of 11 economies (Figure 6 and Table 4). It is noted that, the ratios for Indonesia's legal sector at 11.3 and Korea's accounting sector at 12.3 are higher compared to other economies.

Figure 6. Ratio of APEC economies' OECD STRI to lowest OECD STRI value, 2016



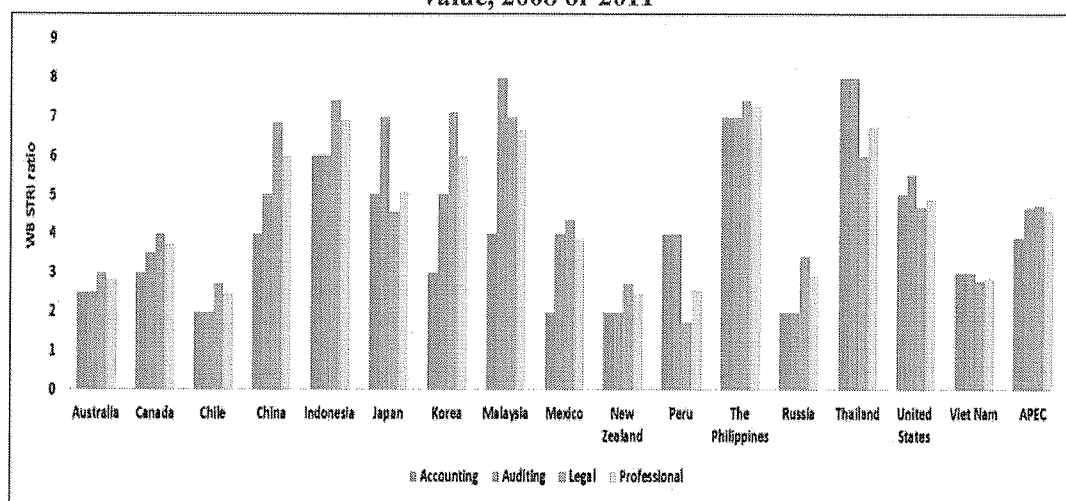
Notes: A higher ratio corresponds to a higher degree of restrictiveness. China data have not been officially ratified.

APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 8 March 2017.

Under the three professional sectors covered by the WB STRI, the ratio for APEC as whole is highest for the legal sector, followed by the auditing and accounting sectors (Figure 7 and Table 5). The WB STRI mirrors the OECD STRI since both shows that the legal sector is the most restrictive professional sector in 10 out of 16 economies during the period covered. Meanwhile, the auditing sector is the most restrictive professional sector in six economies. It is worthwhile to note that the ratio for each professional sector varies widely among APEC member-economies.

Figure 7. Ratio of APEC economy's World Bank STRI to lowest World Bank STRI value, 2008 or 2011



Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 9 March 2017.

Table 5. World Bank STRI and ratio in selected sectors for APEC economies, 2008 or 2011

Economies	Accounting		Auditing		Legal	
	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value
Australia	25.0	2.5	25.0	2.5	35.0	3.0
Canada	30.0	3.0	35.0	3.5	46.7	4.0
Chile	20.0	2.0	20.0	2.0	31.7	2.7
China	40.0	4.0	50.0	5.0	80.0	6.8
Indonesia	60.0	6.0	60.0	6.0	86.7	7.4
Japan	50.0	5.0	70.0	7.0	53.3	4.6
Korea	30.0	3.0	50.0	5.0	83.3	7.1

APEC Services Competitiveness Roadmap (ASCR) Baseline Indicators

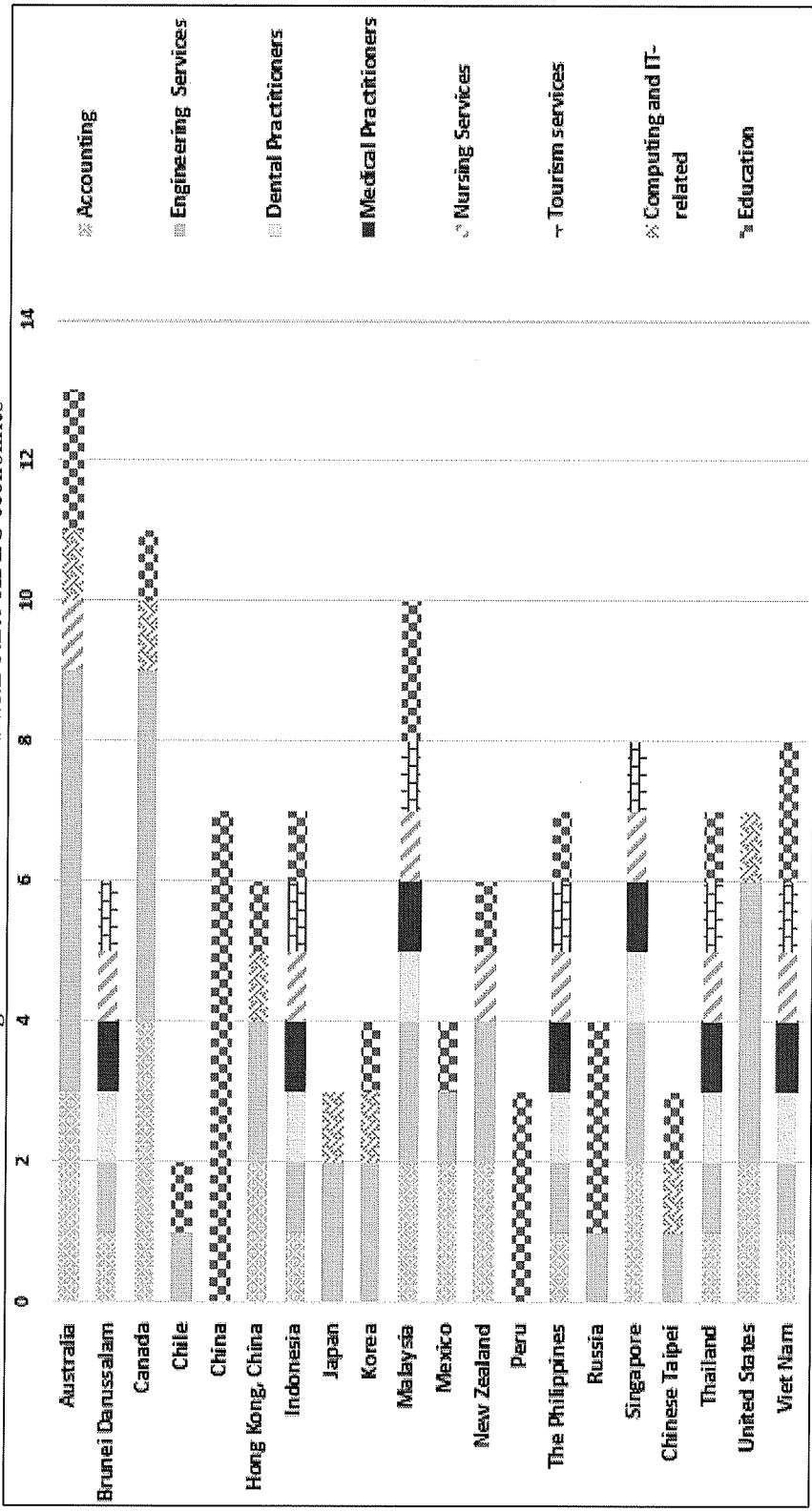
Malaysia	40.0	4.0	80.0	8.0	81.7	7.0
Mexico	20.0	2.0	40.0	4.0	50.8	4.3
New Zealand	20.0	2.0	20.0	2.0	31.7	2.7
Peru	40.0	4.0	40.0	4.0	20.0	1.7
The Philippines	70.0	7.0	70.0	7.0	86.7	7.4
Russia	20.0	2.0	20.0	2.0	40.0	3.4
Thailand	80.0	8.0	80.0	8.0	70.0	6.0
United States	50.0	5.0	55.0	5.5	55.0	4.7
Viet Nam	30.0	3.0	30.0	3.0	32.5	2.8
APEC	39.1	3.9	46.6	4.7	55.3	4.7

Notes: WB STRI = 0 (completely open) – 100 (completely closed). Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data set per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 9 March 2017.

The number of MRAs that an economy has with other APEC economies in specific sectors and professions are used to measure the degree of cross-recognition of educational standards and qualifications. Based on the response of economies to the PSU's survey as well as PSU's compilations from various sources, economies with significant number of MRAs supporting cross-border mobility of certain professionals with other APEC economies include Australia; Canada; Malaysia; Singapore; and Viet Nam (Figure 8).

Figure 8. Presence of MRAs with other APEC economies



Source: PSU's compilations (March 2017) and survey responses of HRDWG members (April-June 2017).

APEC-wide action #3

The implementation of this particular APEC-wide action involves the inclusion of the following as part of BMG's development and expansion work: 1) a pilot with a small number of economies involving a client-facing online lodgment system; and 2) the eventual expansion to all economies with client-facing online lodgment. Currently, Australia is developing the online lodgment web-service connection.

APEC-wide action #4

The PSU used two international indicators, the OECD STRI (Table 6) and WB STRI (Table 7) to gauge the APEC region's current standing with regards to selected services sector. In particular, APEC's average ratio is computed along with individual member-economies' distance to this APEC-wide ratio.

Table 6. OECD STRI ratio to lowest value in selected services sector for APEC economies, 2016

Economies	Logistics										Road freight transport
	Logistics cargo handling	Logistics storage and warehouse	Logistics freight forwarding	Logistics customs brokerage	Motion pictures	Broadcasting	Sound recording	Telecommunication	Air transport	Maritime transport	
Australia	2.371	2.599	2.403	2.103	1.715	1.456	1.913	1.406	1.746	1.654	1.278
Canada	1.774	1.767	1.659	1.587	2.555	2.169	2.063	2.572	2.088	1.485	1.333
Chile	1.975	2.048	2.246	3.515	1.796	2.080	1.937	2.212	1.000	1.672	1.111
China	3.563	3.536	3.476	3.005	6.293	4.854	3.262	3.639	2.348	3.168	2.278
Indonesia	3.543	3.825	3.885	2.625	3.229	2.792	2.429	4.349	2.381	4.498	3.500
Japan	1.843	2.008	2.203	1.769	1.000	1.710	1.000	1.565	1.836	1.544	1.028
Korea	1.307	1.000	1.365	1.180	1.708	1.918	1.357	2.374	2.058	1.986	1.000
Mexico	2.584	2.895	2.753	9.290	2.869	4.409	2.325	1.863	1.945	2.722	1.778
New Zealand	2.457	2.484	2.435	2.105	1.704	1.165	2.103	2.011	1.879	1.662	1.333
Russia	8.152	10.657	2.698	2.595	3.172	2.499	3.024	3.249	2.850	2.936	2.472
United States	1.965	2.268	2.464	2.165	1.887	1.835	2.048	1.017	2.756	2.898	1.528
APEC	2.867	3.190	2.508	2.904	2.539	2.444	2.133	2.387	2.081	2.384	1.694

Economies	Rail freight transport										Legal
	Courier	Distribution	Commercial hauling	Insurance	Computer	Construction	Accounting	Architecture	Engineering	Legal	
Australia	1.407	1.404	1.324	1.745	1.481	1.577	2.382	1.453	1.086	2.037	
Canada	1.116	2.932	1.484	2.026	1.799	2.405	3.045	1.996	1.579	2.123	
Chile	1.478	1.504	1.679	1.556	1.389	1.158	1.000	1.063	1.000	1.745	
China	2.009	3.053	3.295	4.291	3.090	3.097	5.205	2.347	2.164	6.071	
Indonesia	2.397	7.102	3.837	4.719	2.916	3.816	5.218	2.723	2.525	11.311	
Japan	1.182	1.306	1.559	1.649	1.558	1.000	2.384	1.453	1.346	3.447	

APEC Services Competitiveness Roadmap (ASCR) Baseline Indicators

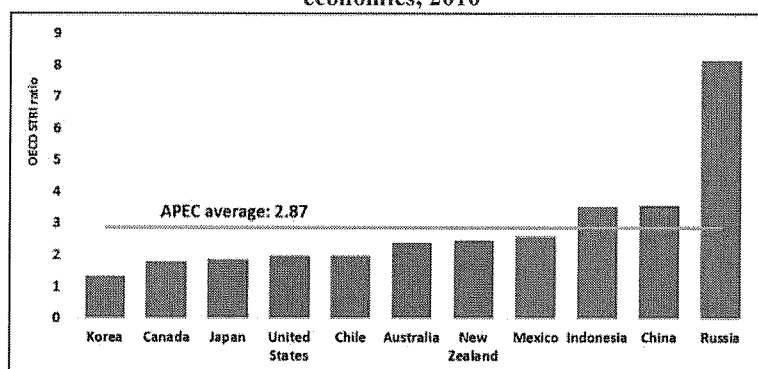
Korea	6.783	2.843	1.000	1.435	1.000	1.000	1.098	12.312	1.643	1.206	5.512
Mexico	1.941	3.497	2.006	2.789	2.159	1.918	2.165	1.786	1.756	1.620	2.193
New Zealand	1.338	1.826	1.458	1.497	1.195	1.165	1.167	1.705	1.344	1.124	2.266
Russia	6.738	2.830	2.413	2.881	3.533	3.310	3.488	3.631	2.957	2.535	4.087
United States	1.147	3.125	1.754	1.718	2.759	1.805	2.444	2.111	1.679	1.817	2.470
APEC	2.503	3.294	2.358	2.136	2.421	1.948	2.129	3.707	1.856	1.637	3.933

Notes: OECD STRI = 0 (completely open) – 1 (completely closed). Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

The average ratio for the logistics cargo handling sector in the APEC region is 2.87 (Figure 9). Three economies, namely Russia; China; and Indonesia have ratios that are above the average, while the remaining eight have below-average ratios.

Figure 9. OECD STRI ratio to lowest value in logistics cargo handling sector for APEC economies, 2016

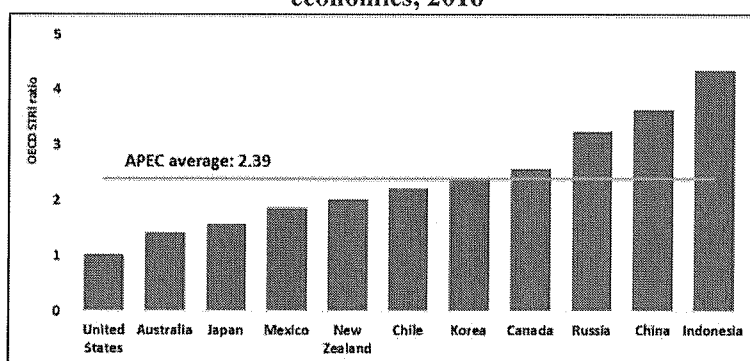


Notes: Ratios are computed by dividing the index over the lowest positive value in the data set per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

The average ratio for the telecommunications sector in the APEC region is 2.39 (Figure 10). Four economies, namely Indonesia; China; Russia; and Canada have ratios that are above the average, while the remaining seven economies exhibited below-average ratios.

Figure 10. OECD STRI ratio to lowest value in telecommunications sector for APEC economies, 2016

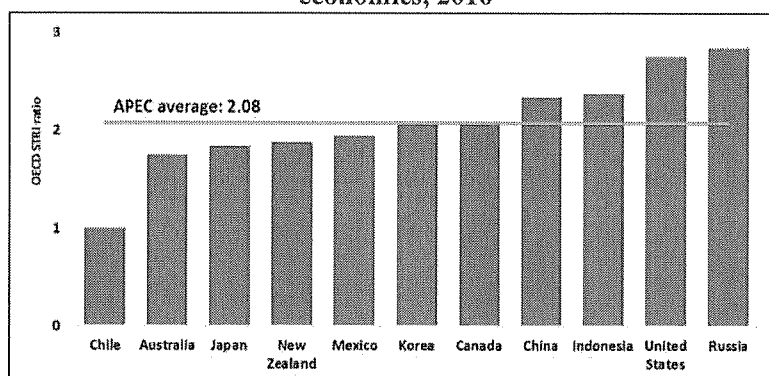


Notes: Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

In terms of the air transport sector, the average ratio for the APEC region is 2.08 (Figure 11). Five economies, namely Russia; United States; Indonesia; China; and Canada showed ratios that are above the average, while the remaining six economies have below-average ratios.

Figure 11. OECD STRI ratio to lowest value in air transport sector for APEC economies, 2016

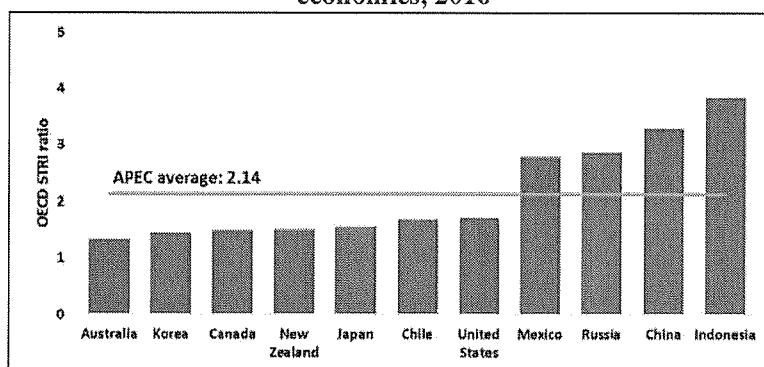


Notes: Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

For the commercial banking sector in the APEC region, the average ratio is 2.14 (Figure 12). Four economies, namely Indonesia; China; Russia; and Mexico have ratio that are above the average, while the remaining seven have below-average ratio.

Figure 12. OECD STRI ratio to lowest value in commercial banking sector for APEC economies, 2016



Notes: Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

Table 7. World Bank STRI index and ratio in certain services sector for APEC economies, 2008 or 2011

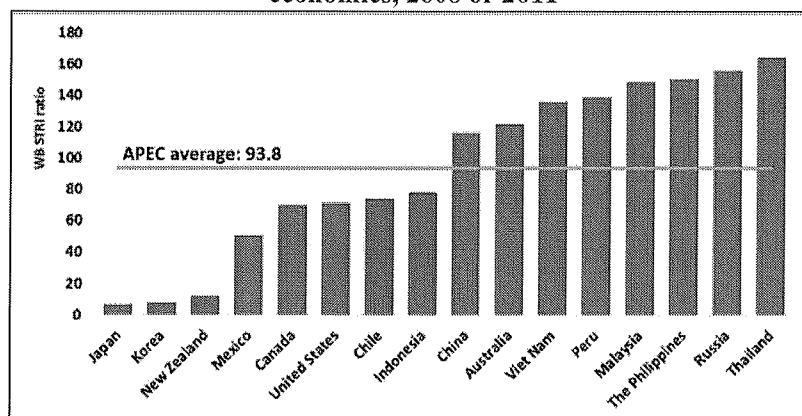
Economies	Financial		Telecommunications		Transportation		Professional	
	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value
Australia	36.4	121.3	25	2	12.5	4.0	31	2.8
Canada	20.8	69.3	50	4	16.1	5.2	41	3.7
Chile	22.1	73.7	25	2	19.2	6.2	27	2.5
China	34.8	116.0	50	4	19.3	6.2	66	6.0
Indonesia	23.4	78.0	25	2	66.4	21.4	76	6.9
Japan	1.9	6.3	25	2	15.6	5.0	56	5.1
Korea	2.3	7.7	50	4	20.8	6.7	66	6.0
Malaysia	44.6	148.7	25	2	55.4	17.9	73	6.6
Mexico	15.3	51.0	37.5	3	61.5	19.8	42.5	3.9
New Zealand	3.6	12.0	37.5	3	5.4	1.7	27	2.5
Peru	41.6	138.7	0	0	3.1	1.0	28	2.5
The Philippines	45.1	150.3	50	4	44.2	14.3	80	7.3
Russia	46.7	155.7	50	4	14.2	4.6	32	2.9
Thailand	49.4	164.7	50	4	47.1	15.2	74	6.7
United States	21.4	71.3	0	0	7.9	2.5	54	4.9
Viet Nam	40.8	136.0	50	4	38.6	12.5	31.5	2.9
APEC	28.1	93.8	34.4	2.8	28.0	9.0	50.3	4.6

Notes: WB STRI = 0 (completely open) – 100 (completely closed). Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the financial sector in the APEC region is 93.8 (Figure 13). Eight economies, namely Thailand; Russia; the Philippines; Malaysia; Peru; Viet Nam; Australia; and China have ratios that are above the average, while the remaining eight have below-average ratios.

Figure 13. World Bank STRI ratio to lowest value in financial sector for APEC economies, 2008 or 2011

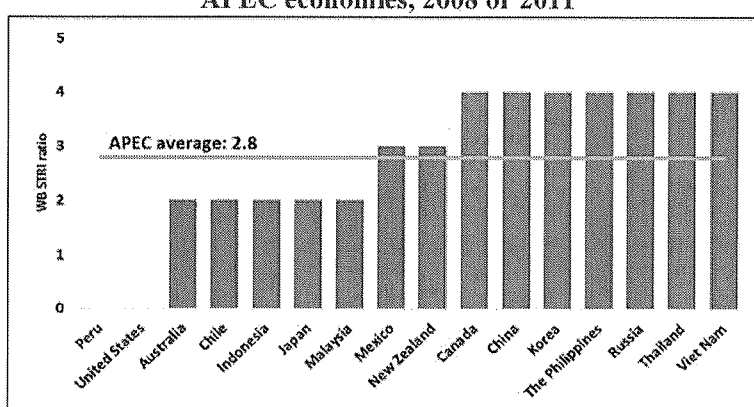


Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the telecommunications sector in the APEC region is 2.8 (Figure 14). Nine economies, namely Viet Nam; Thailand; Russia; the Philippines; Korea; China; Canada; New Zealand; and Mexico have ratios that are above the average, while the remaining seven have below-average ratios.

Figure 14. World Bank STRI ratio to lowest value in telecommunications sector for APEC economies, 2008 or 2011

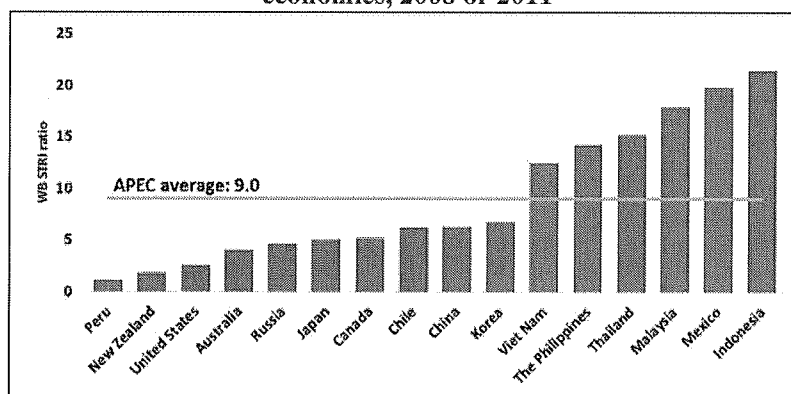


Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the transportation sector in the APEC region is 9.0 (Figure 15). Six economies, namely Indonesia; Mexico; Malaysia; Thailand; the Philippines; and Viet Nam have ratios that are above the average, while the remaining ten have below-average ratios.

Figure 15. World Bank STRI ratio to lowest value in transportation sector for APEC economies, 2008 or 2011

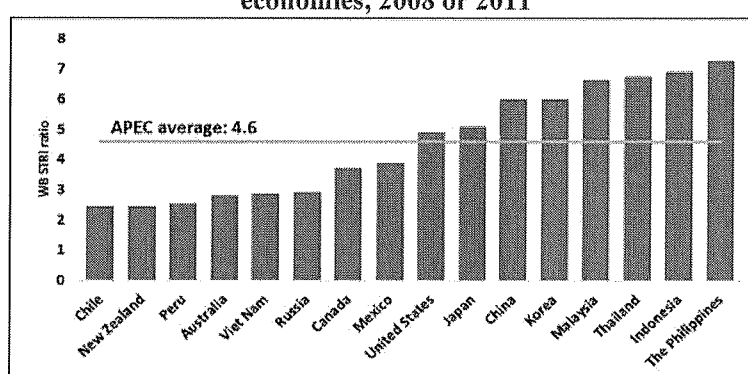


Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the professional sector in the APEC region is 4.6 (Figure 16). Eight economies, namely the Philippines; Indonesia; Thailand; Malaysia; Korea; China; Japan; and United States have ratios that are above the average, while the remaining eight have below-average ratios.

Figure 16. World Bank STRI ratio to lowest value in professional sector for APEC economies, 2008 or 2011



Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

APEC Services Competitiveness Roadmap (ASCR) Baseline Indicators

APEC-wide actions #5, #6, and #7

It should be noted that indicators for APEC-wide actions #5 and #7 are deemed similar to APEC-wide action #4, while there is no available indicator under APEC-wide action #6.

APEC-wide action #8

The top destination economy for inbound students from other APEC economies (Table 8) is the United States (451,975), followed by Australia (174,252), and Japan (117,215).

Table 8. Inbound students in tertiary education from other APEC economies to destination economies

Destination economies	Year	Inbound students	Number of other APEC economies sending students to destination economy
Australia	2014	174,252	19
Brunei Darussalam	2014	212	13
Canada	2013	66,184	19
Chile	2014	546	6
Hong Kong, China	2014	28,971	18
Indonesia	2010	3,240	7
Japan	2014	117,215	18
Korea	2013	45,852	19
Malaysia	2014	8,861	17
New Zealand	2014	26,119	18
Russia	2014	12,402	17
Chinese Taipei	2014	76,537	20
Thailand	2014	6,559	18
United States	2014	451,975	19
Viet Nam	2014	570	7

Notes: Please refer to accompanying excel spreadsheet 8.1 in the PSU website for the data. Data for China; Mexico; Papua New Guinea; Peru; the Philippines; and Singapore; as destination economies are not available from 2010 to 2014. CT data is the sum of non-citizen students studying for diploma and non-diploma degrees.

Sources: PSU calculations, and UNESCO (<http://data.uis.unesco.org/#>), accessed 11 March 2017. CT data: Ministry of Education (http://stats.moe.gov.tw/files/ebook/Education_Statistics/104/104edu_EXCEL.htm), accessed 22 June 2017. HKC data taken from the Education Bureau of the Hong Kong Special Administrative Region Government.

The number and profile of nationals working in other APEC economies as professionals is intended to measure if there is an increase in the mobility of educated workers in the region. However, survey responses submitted by five economies indicate that they do not collect such information.

APEC-wide action #9

Five economies, namely Canada; Japan; Korea; Mexico; and the United States are currently participating in the APEC CBPR system, while there is no APEC economy currently involved in the APEC PRP system (Table 9). Meanwhile, in the private sector, there are 20 firms that are participating in the CBPR System at the time of this report, while there is no participant from the private sector in the PRP System (Table 10).

Table 9. Status of member economies' participation in APEC CBPR and PRP Systems

Economy	Participation in APEC CBPR System	Participation in APEC PRP System
Australia	No	No
Brunei Darussalam	No	No
Canada	Yes	No
Chile	No	No
China	No	No
Hong Kong, China	No	No
Indonesia	No	No
Japan	Yes	No
Korea	Yes	No
Malaysia	No	No
Mexico	Yes	No
New Zealand	No	No
Papua New Guinea	No	No
Peru	No	No
The Philippines	No	No
Russia	No	No
Singapore	No	No
Chinese Taipei*	No	No
Thailand	No	No
United States	Yes	No
Viet Nam	No	No

Note: *Chinese Taipei has twice declared its intention to participate in CBPR during the annual ministerial meeting in 2016 and the ECSG meetings in February 2017.

Source: APEC ECSG.

Table 10. Number of firms participating in the APEC CBPR and PRP Systems

	Participation in APEC CBPR System	Participation in APEC PRP System
Number of firms	20	0

Source: APEC ECSG.

In general, APEC economies have legislations in place that cover online protection laws in the areas of electronic transactions, consumer protection, data protection and privacy, cybercrime, content regulation, and domain names (Table 11). This finding is indicative of the existence of a strong online regulatory environment in the APEC region.

Table 11. Status of online protection laws in APEC

Economies	Electronic Transactions	Consumer Protection	Data Protection and Privacy	Cybercrime	Content Regulation*	Domain Names**
Australia	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
Brunei Darussalam	Legislated	Legislated	No legislation	Legislated	Legislated	Legislated
Canada	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
Chile	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
China	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
Hong Kong, China	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
Indonesia	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
Japan	Legislated	No data	Legislated	Legislated	Legislated	Legislated
Korea	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
Malaysia	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
Mexico	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
New Zealand	Legislated	Legislated	Legislated	Legislated	Legislated	No data
Papua New Guinea	Draft	No data	No legislation	No legislation	No data	No data
Peru	Legislated	Legislated	Legislated	Legislated	Legislated	No data
The Philippines	Legislated	Legislated	Legislated	Legislated	No data	Legislated
Russia	Legislated	No data	Legislated	Legislated	Legislated	Legislated
Singapore	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
Chinese Taipei	Legislated	Legislated	Legislated	Legislated	Legislated	No data
Thailand	Legislated	Legislated	Draft	Legislated	Legislated	Legislated
United States	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated
Viet Nam	Legislated	Legislated	Legislated	Legislated	Legislated	Legislated

Notes: Legislated = enactment and enforcement of relevant legislation. Draft = the law is pending for adoption. No data = information about an economy's legislation adoption was not readily available. The UNCTAD defines the following: electronic transactions laws are those that facilitate e-commerce by providing legal certainty for the recognition of electronic communications, electronic records, and electronic signatures; consumer protection laws are those government regulations on transactions between consumers and businesses; data protection and privacy laws are those that relate to the right of individuals to control what happens with their personal information; and cybercrime laws are those that address criminal behavior and security issues in online commerce. *Content regulation – Some APEC economies have no specific regulations for online contents. They are under a specific law depending on the type of content. **Domain names – Most economies follow the Uniform Domain Name Dispute Resolution Policy and/or follows the trade mark laws to deal with domain names.

Sources: UNCTAD (<http://unctad.org/en/Pages/DTL/STI> and [ICTs/ICT4D-Legislation/eCom-Global-Legislation.aspx](http://unctad.org/en/Pages/DTL/STI)); Hong Kong, China; and Chinese Taipei data; Content regulation; and Domain names, PSU compilation from various sources, please refer to accompanying excel spreadsheet 9.3 in the PSU website. Accessed 06 June 2017, UNCTAD; and 07 June 2017, content regulations and domain name.

APEC-wide action #10:

Indicators under this are based on the OECD STRI (Table 12); WB STRI (Table 13); and results of the PSU survey (Table 14).

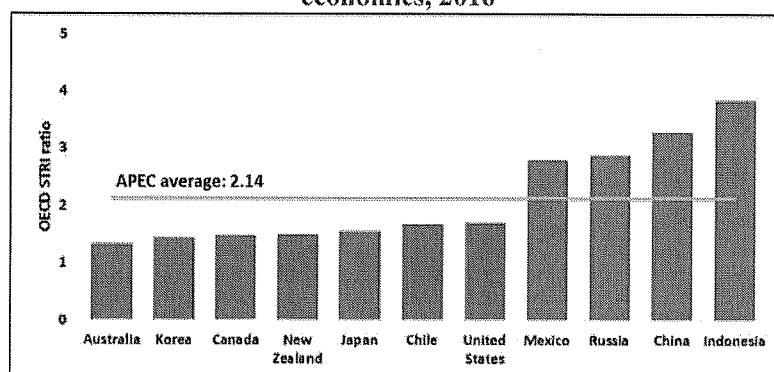
Table 12. OECD STRI and ratio in commercial banking and insurance sector for APEC economies, 2016

Economies	Commercial banking		Insurance	
	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value
Australia	0.164	1.324	0.183	1.745
Canada	0.184	1.484	0.213	2.026
Chile	0.208	1.679	0.164	1.556
China	0.409	3.295	0.451	4.291
Indonesia	0.476	3.837	0.496	4.719
Japan	0.194	1.559	0.173	1.649
Korea	0.178	1.435	0.105	1.000
Mexico	0.346	2.789	0.227	2.159
New Zealand	0.186	1.497	0.126	1.195
Russia	0.358	2.881	0.371	3.533
United States	0.213	1.718	0.290	2.759
APEC	0.265	2.136	0.254	2.421

Notes: OECD STRI = 0 (completely open) – 1 (completely closed). Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data excludes Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.
 Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

The average ratio for the commercial banking sector in the APEC region is 2.14 (Figure 17). Four economies, namely Indonesia; China; Russia; and Mexico have ratios that are above the average, while the other seven economies have below-average ratios.

Figure 17. OECD STRI ratio to lowest value in commercial banking sector for APEC economies, 2016



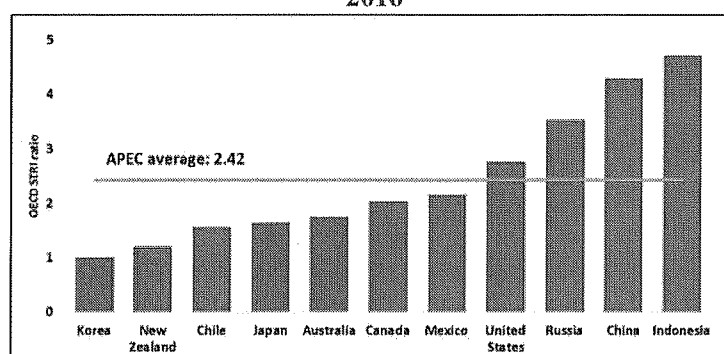
Notes: Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei

Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

The average ratio for the insurance sector in the APEC region is 2.42 (Figure 18). Four economies, namely Indonesia; China; Russia; and United States have ratios that are above the average, while the remaining seven economies have below-average ratios.

Figure 18. OECD STRI ratio to lowest value in insurance sector for APEC economies, 2016



Notes: Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data excludes Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

Table 13. World Bank STRI and ratio in banking and insurance sector for APEC economies, 2008 or 2011

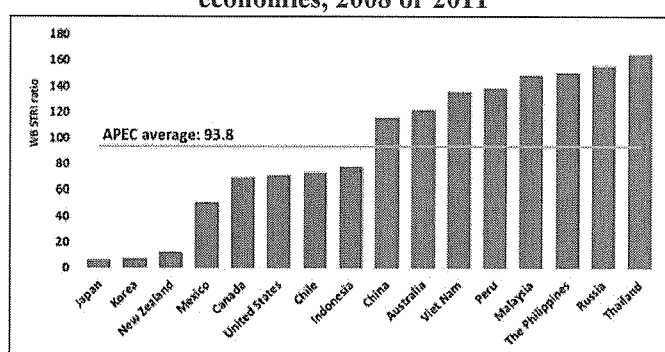
Economies	Financial		Banking		Insurance	
	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value	STRI	Ratio of economy's STRI to lowest STRI value
Australia	36.4	121.3	42.5	22.4	26.7	33.4
Canada	20.8	69.3	21.3	11.2	20	25.0
Chile	22.1	73.7	21.3	11.2	23.3	29.1
China	34.8	116.0	32.5	17.1	38.3	47.9
Indonesia	23.4	78.0	21.3	11.2	26.7	33.4
Japan	1.9	6.3	0.0	0.0	5	6.3
Korea	2.3	7.7	0.0	0.0	5.8	7.3
Malaysia	44.6	148.7	44.4	23.4	45	56.3
Mexico	15.3	51.0	11.3	5.9	21.7	27.1
New Zealand	3.6	12.0	0.0	0.0	9.2	11.5
Peru	41.6	138.7	36.3	19.1	50	62.5
The Philippines	45.1	150.3	46.3	24.4	43.3	54.1
Russia	46.7	155.7	42.5	22.4	53.3	66.6
Thailand	49.4	164.7	57.5	30.3	36.7	45.9
United States	21.4	71.3	21.3	11.2	21.7	27.1
Viet Nam	40.8	136.0	51.9	27.3	23.3	29.1
APEC	28.1	93.8	28.2	14.8	28.1	35.2

Notes: WB STRI = 0 (completely open) – 100 (completely closed). Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the financial sector in the APEC region as measured by the WB STRI is 93.8 (Figure 19). Eight economies, namely Thailand; Russia; the Philippines; Malaysia; Peru; Viet Nam; Australia; and China have ratios that are above the average, while the remaining eight economies have below-average ratios.

Figure 19. World Bank STRI ratio to lowest value in financial sector for APEC economies, 2008 or 2011

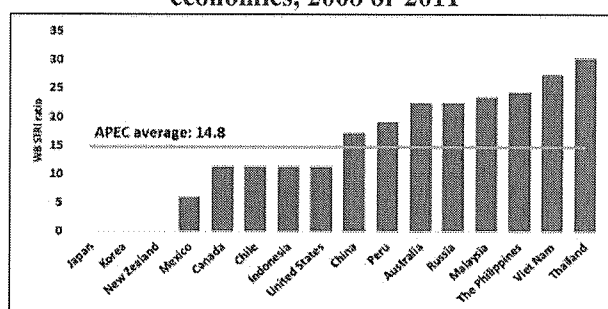


Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. APEC data excludes Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the banking sector in the APEC region as measured by the WB STRI is 14.8 (Figure 20). Eight economies, namely Thailand; Viet Nam; the Philippines; Malaysia; Russia; Peru; Australia; and China have ratios that are above the average, while the other eight economies have below-average ratio.

Figure 20. World Bank STRI ratio to lowest value in banking sector for APEC economies, 2008 or 2011

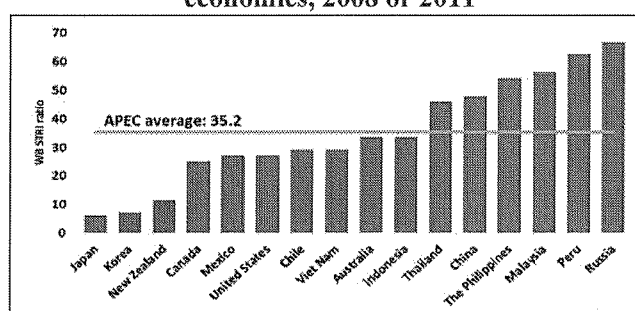


Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the insurance sector in the APEC region as measured by the WB STRI is 35.2 (Figure 21). Six economies, namely Russia; Peru; Malaysia; the Philippines; China; and Thailand have ratios that are above the average, while the remaining ten economies have below-average ratios.

Figure 21. World Bank STRI ratio to lowest value in insurance sector for APEC economies, 2008 or 2011



Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

Based on the survey responses, Japan; New Zealand; and Thailand have already expressed their intent to participate in the ARFP initiative, although to date, no transactions have been recorded (Table 14). In contrast, Brunei Darussalam; Canada; Hong Kong, China; Mexico; the Philippines; Chinese Taipei; and the United States did not participate in this initiative.

Table 14. Status of APEC economies' participation in Asia Region Funds Passport (ARFP) initiative

Economy	Participation in ARFP initiative	Number of transactions or cross-border sales using ARFP	Year
Australia	NA	NA	NA
Brunei Darussalam	No	None	None
Canada	No	None	None
Chile	NA	NA	NA
China	NA	NA	NA
Hong Kong, China	No	None	None
Indonesia	NA	NA	NA
Japan	Yes	No transactions to date	
Korea	NA	NA	NA
Malaysia	NA	NA	NA
Mexico	No	None	None
New Zealand	Yes*	No transactions to date	
Papua New Guinea	NA	NA	NA
Peru	NA	NA	NA
The Philippines	No	None	None
Russia	NA	NA	NA

APEC Services Competitiveness Roadmap (ASCR) Baseline Indicators

Singapore	NA	NA	NA
Chinese Taipei	No	None	None
Thailand	Yes*	No transactions to date	
United States	No	None	None
Viet Nam	NA	NA	NA

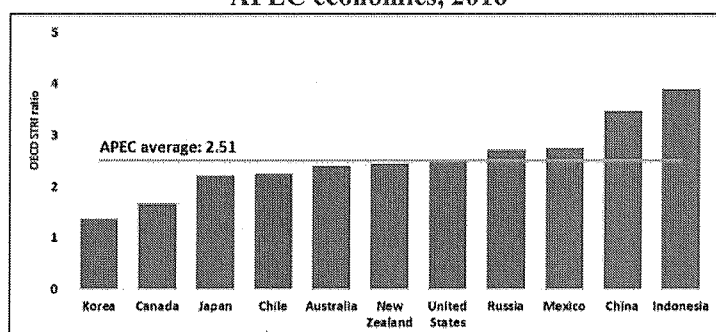
Notes: NA = not available; did not respond to the survey. *New Zealand anticipates its ARFP implementation in late 2017. *Thailand is in the process of preparing for ARFP implementation framework.

Source: PSU compilations from survey of FMP members.

APEC-wide action #11

The average ratio for the logistics freight forwarding sector in the APEC region as measured by the OECD STRI is 2.51 (Figure 22). Four economies, namely Indonesia; China; Mexico; and Russia have ratios that are above the average, while the remaining seven economies have below-average ratios.

Figure 22. OECD STRI ratio to lowest value in logistics freight forwarding sector for APEC economies, 2016

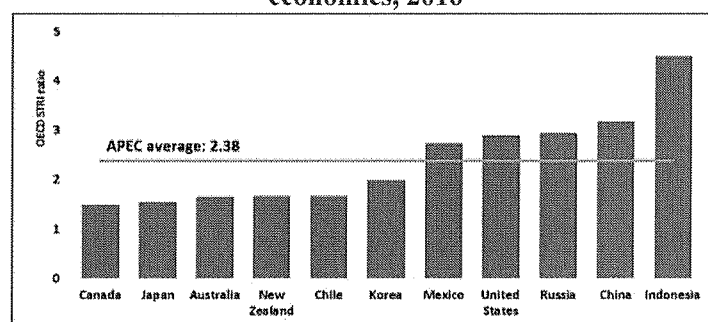


Notes: Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

The average ratio for the marine transport sector in the APEC region as measured by the OECD STRI is 2.38 (Figure 23). Five economies, namely Indonesia; China; Russia; United States; and Mexico have ratios that are above the average, while the remaining six economies have below-average ratio.

Figure 23. OECD STRI ratio to lowest value in marine transport sector for APEC economies, 2016

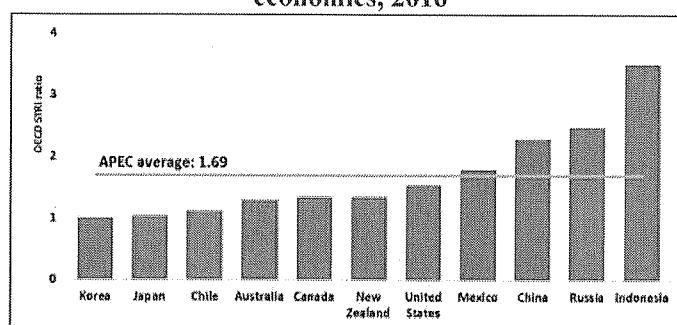


Notes: Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

The average ratio for the road freight sector in the APEC region as measured by the OECD STRI is 1.69 (Figure 24). Four economies, namely Indonesia; Russia; China; and Mexico have ratios that are above the average, while the remaining seven economies have below-average ratios.

Figure 24. OECD STRI ratio to lowest value in road freight transport sector for APEC economies, 2016

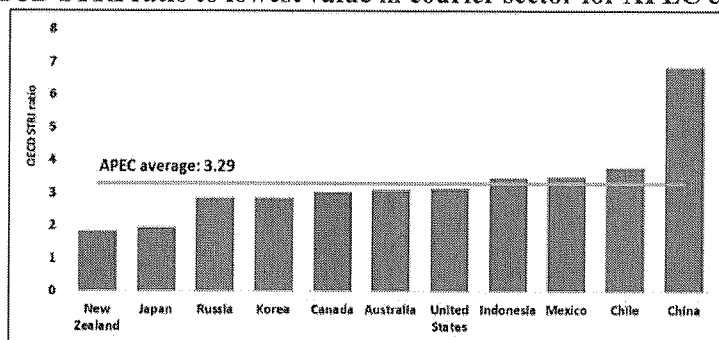


Notes: Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

The average ratio for the courier sector in the APEC region as measured by the OECD STRI is 3.29 (Figure 25). Four economies, namely China; Chile; Mexico; and Indonesia have ratios that are above the average, while the remaining seven economies have below-average ratios.

Figure 25. OECD STRI ratio to lowest value in courier sector for APEC economies, 2016



Notes: Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRI>), accessed 10 March 2017.

Table 15. OECD STRI ratio in logistics and transportation sector for APEC economies, 2016

Economies	Logistics cargo handling	Logistics storage and warehouse	Logistics freight forwarding	Logistics customs brokerage	Air transport	Maritime transport	Road freight transport	Rail freight transport	Courier
Australia	2.371	2.599	2.403	2.103	1.746	1.654	1.278	1.407	3.075
Canada	1.774	1.767	1.659	1.587	2.088	1.485	1.333	1.116	3.016
Chile	1.975	2.048	2.246	3.515	1.000	1.672	1.111	1.478	3.794
China	3.563	3.536	3.476	3.005	2.348	3.168	2.278	2.009	6.849
Indonesia	3.543	3.825	3.885	2.625	2.381	4.498	3.500	2.397	3.443
Japan	1.843	2.008	2.203	1.769	1.836	1.544	1.028	1.182	1.933
Korea	1.307	1.000	1.365	1.180	2.058	1.986	1.000	6.783	2.843
Mexico	2.584	2.895	2.753	9.290	1.945	2.722	1.778	1.941	3.497
New Zealand	2.457	2.484	2.435	2.105	1.879	1.662	1.333	1.338	1.826
Russia	8.152	10.657	2.698	2.595	2.850	2.936	2.472	6.738	2.830
United States	1.965	2.268	2.464	2.165	2.756	2.898	1.528	1.147	3.125
APEC	2.867	3.190	2.508	2.904	2.081	2.384	1.694	2.503	3.294

Notes: OECD STRI = 0 (completely open) – 1 (completely closed). Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. China data have not been officially ratified. APEC data exclude Brunei Darussalam; Hong Kong, China; Malaysia; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Source: PSU calculations, and OECD (<http://stats.oecd.org/Index.aspx?DataSetCode=STRJ>), accessed 10 March 2017.

Table 16 shows that APEC economies are signatories of various ASAs with each other. These agreements can be bilateral or multilateral, aimed at facilitating air transport between economies. Based on PSU compilations, the economies with the most number of ASA signatories are Malaysia (20); United States (19); Australia (18); Canada (18); and Singapore (18). The APEC economies with the least number of ASA signatories are Papua New Guinea (6); Peru (5); and Chinese Taipei (5).

Table 16. Type of air service agreements (ASAs)³

Economies	Signatories																				
	AUS	BD	CDA	CHL	PRC	HKC	INA	JPN	ROK	MAS	MEX	NZ	PNG	PE	PHL	RUS	SGP	CT	THA	USA	VN
AUS		o	o,Y	o	o,Y	o	E	o	E,Y	o	E	o,Y	o	NA	E	o	G	NA	E	G,Y	o
BD	o		NA	V	B,X	o	D,W	o	o	F,W	NA	o,V	NA	NA	D,W	B	o,V,W	NA	C,W	G,V	A,W
CDA	o,Y	NA		i	E	o,Z	Z	o,Z	C,Y	B	A	i,Y	NA	D	B	E	Z	Z	C	G,Y	Z
CHL										✓ (5 th freedom)											
PRC	o	V	i	o	o	NA	NA	NA	o	A,X	F	G,V	NA	NA	NA	NA	G,V	NA	NA	G,V	NA
HKC	o,Y	B,X	E	o	NA	NA	A,X	NA	B	A,X	B	F	NA	i	i,X	E	E,X	NA	A,X	o	A,X
INA	o	o	o,Z	NA	NA	NA	o	o	o	o	✓	o	✓	NA	o	✓	o	NA	o	o	o
JPN	E	D,W	Z	NA	A,X	o	NA	o	NA	F,W	NA	E	NA	NA	W	C	o,W	NA	W	G,Y	W
ROK	o	o	o,Z	NA	NA	o	o	o	o	o	B	F	B	NA	F	C	o	o	F	o,Y	o
MAS	E,Y	o	C,Y	o	B	o	NA	o		F	E	F,Y	NA	NA	C	B	F	NA	C	G,Y	NA
				✓ (5 th freedom)										✓ (5 th freedom)				✓ (5 th freedom)			
MEX	o	F,W	B	A,X	A,X	o	F,W	o	F		E	G	✓	NA	A,W	D	F,W	E,W	E,W	G,Y	W
NZ	E	NA	A	F	B	✓	NA	B	E	E	o	o	NA	A	i	i	E	NA	A	F	NA
PNG	o,Y	o,V	i,Y	G,V	F	o	E	F	F,Y	G	o	D	D	NA	✓	o	G,V	Y	F	G,V	o
PE	o	NA	NA	NA	NA	✓	NA	B	NA	✓	NA	D		NA	NA	NA	D	NA	NA	NA	NA
	NA	NA	D	NA	i	NA	NA	NA	NA	✓	A	NA	NA		NA	NA	NA	NA	NA	o,Y	NA

³ According to the International Air Transport Association report, the first two freedoms of air (known as technical freedoms) are enshrined in a multilateral agreement known as the International Air Services Transit Agreement signed at the Chicago Conference (https://www.icao.int/secretariat/legal/LI.isr%20of%20Parties/Transit_EN.pdf). Indonesia; Papua New Guinea; Peru; Chinese Taipei; and Viet Nam are not signatories of the said agreement. In addition, Canada and Russia have chosen to negotiate these rights bilaterally.

Economies	Signatories																					
	AUS	BD	CDA	CHL	PRC	HKC	INA	JPN	ROK	MAS	MEX	NZ	PNG	PE	PHL	RUS	SGP	CT	THA	USA	VN	
										(5 th freedom)												
PHL	E	D,W	B	NA	i,X	o	W	F	C	A,W	i	✓	NA	NA	NA	NA	E,W	NA	C,W	o	A,W	
RUS	o	B	E	NA	E	✓	C	C	B	D	i	o	NA	NA	NA	D	NA	NA	C	G	NA	
SGP	G	o,V,W	Z	G,V	E,X	o	o,W	o	F	F,W	E	G,V	D	NA	E,W	D	NA	NA	E,W	G,V	o,W	
CT										✓												
	NA	NA	Z	NA	NA	NA	NA	o	NA	(5 th freedom)	NA	Y	NA	NA	NA	NA	NA	NA	NA	Y	NA	
THA	E	C,W	C	NA	A,X	o	W	F	C	E,W	A	F	NA	NA	C,W	C	E,W	NA		G,Y	W	
USA	G,Y	G,V	G,Y	G,V	o	o	G,Y	o,Y	G,Y	G,Y	F	G,V	NA	o,Y	o	G	G,V	Y	G,Y		G,Y	
VN	o	A,W	Z	NA	A,X	o	W	o	NA	W	NA	o	NA	NA	A,W	NA	o,W	NA	W	G,Y	G,Y	

Notes: NA = no available information. Freedoms of the Air and International Regulations (2015) defines the following terms: *air service agreements* are those bilateral air transport agreements which two economies sign to allow international commercial air transport services between their territories; and *freedoms of the air* are those economic and diplomatic protocols agreed to by the economies for the commercial flow of revenue traffic by air. There are nine basic freedoms of the air and are only valid when the economies involved sign the appropriate bilateral or multilateral agreements (please refer to accompanying excel spreadsheet 11.1 in the PSU website).
 Sources: A-G, i and o - <https://www.wto.org/asap/index.html>; Y - <https://www.icao.int/Meetings/ATConf5/Documents/Kiser.pdf>; W - <http://www.aseanbriefing.com/news/2015/01/02/asean-open-skies-policy-implemented-2015.html>; X - [http://www.asean.org/wp-content/uploads/images/archive/transport/Protocol%201%20on%20Unlimited%20Third%20Party%20Rights%20between%20any%20Pair%20of%20Contracting%20Parties.pdf](http://asean.org/wp-content/uploads/images/archive/transport/Protocol%201%20on%20Unlimited%20Third%20Party%20Rights%20between%20any%20Pair%20of%20Contracting%20Parties.pdf); Y - <https://www.transportation.gov/policy/aviation-policy/open-skies-agreements-being-applied>; and Z - <https://otc.cta.gc.ca/eng/transport-agreements>, accessed 16 June 2017.

Legends: A-G, i and o from WTO types of ASAs based on 2011 data. Please refer to this link for more details of the WTO legend's description: https://www.wto.org/asap/resource/data/html/methodology_e.htm

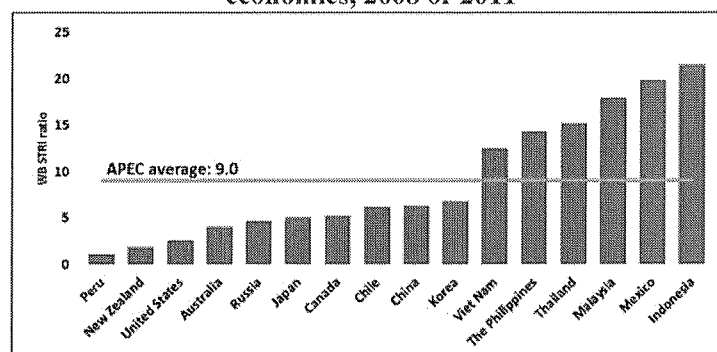
- A Allows 3rd and 4th freedoms of air; single destination; substantive ownership and effective control; double approval; pre-determination
- B Allows 3rd and 4th freedoms of air; multi-destination; substantive ownership and effective control; double approval; pre-determination
- C Allows 3rd, 4th and 5th freedoms of air; single destination; substantive ownership and effective control; double approval; pre-determination
- D Allows 3rd, 4th and 5th freedoms of air; single destination; substantive ownership and effective control; double approval; bermuda 1
- E Allows 3rd, 4th and 5th freedoms of air; multi-destination; substantive ownership and effective control; double approval; pre-determination
- F Allows 3rd, 4th and 5th freedoms of air; multi-destination; substantive ownership and effective control; double approval; bermuda 1
- G Allows 3rd, 4th and 5th freedoms of air; multi-destination; substantive ownership and effective control or community of interest or principal place of business; free pricing or double disapproval; free determination
- i Incomplete International Civil Aviation Organization (ICAO) coding - when ICAO's original coding of an agreement is incomplete and, as such, not all features could be coded (specifically, withholding, tariff or capacity clauses)

APEC Services Competitiveness Roadmap (ASCR) Baseline Indicators

- o All other combinations - indicative of an agreement that did not fall under the other types (i.e. types A to G), and is a sort of "catch all", residual category
- V Allows unlimited traffic rights between each country under 3rd, 4th, 5th and 6th freedoms, as well as unlimited 7th freedom traffic rights for cargo-only flights (Multilateral Agreement on the Liberalization of Air Transport)
- W Allows 3rd, 4th, 5th, and 7th freedoms of the air (ASEAN Single Aviation Market)
- X Allow 3rd and 4th freedoms of the air (ASEAN-China Air Transport Agreement)
- Y Allows carriers of the two nations to operate any route between the two countries without restrictions on capacity, frequency or price, and to have the right to operate 5th and 6th freedom services (with Open Skies Agreement)
- Z The routes and associated rights remain confidential (Canada Transport Agreements)
- ✓ There is an ASA published on the economy's website but the type of freedoms is unclear.

The average ratio for the transportation sector in the APEC region as measured by the WB STRI is 9.0 (Figure 26). Six economies, namely Indonesia; Mexico; Malaysia; Thailand; the Philippines; and Viet Nam have ratios that are above the average, while the other ten economies have below-average ratios.

Figure 26. World Bank STRI ratio to lowest value in transportation sector for APEC economies, 2008 or 2011

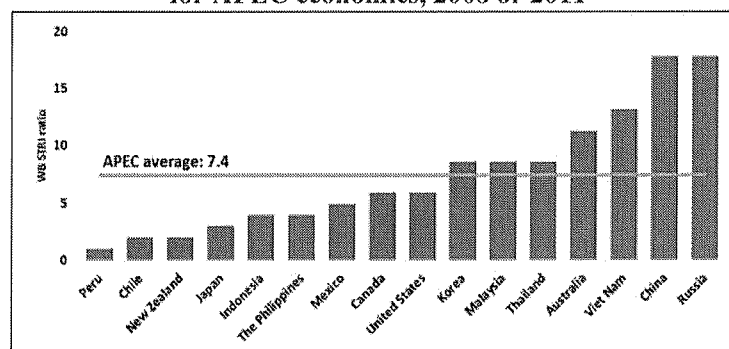


Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data set per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the air passenger international sector in the APEC region as measured by the WB STRI is 7.4 (Figure 27). Seven economies, namely Russia; China; Viet Nam; Australia; Thailand; Malaysia; and Korea have ratios that are above the average, while the remaining nine economies have below-average ratios.

Figure 27. World Bank STRI ratio to lowest value in air passenger international sector for APEC economies, 2008 or 2011

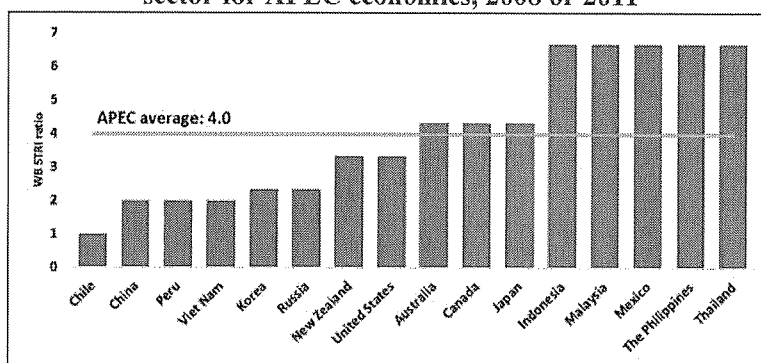


Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data set per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the maritime shipping international sector in the APEC region as measured by the WB STRI is 4.0 (Figure 28). Eight economies, namely Thailand; the Philippines; Mexico; Malaysia; Indonesia; Japan; Canada; and Australia have ratios that are above the average, while the remaining eight economies have below-average ratios.

Figure 28. World Bank STRI ratio to lowest value in maritime shipping international sector for APEC economies, 2008 or 2011

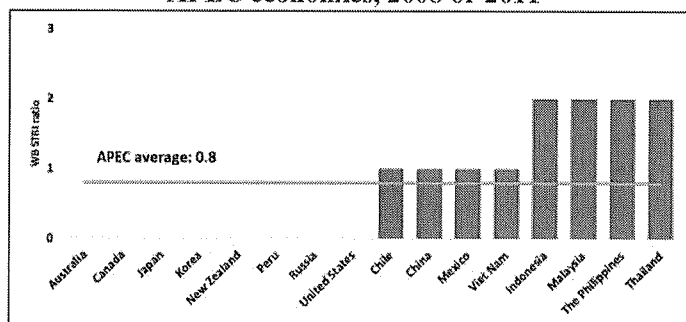


Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data set per sector. The higher the ratio, the more restrictive the sector. APEC data excludes Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the maritime auxiliary sector in the APEC region as measured by the WB STRI is 0.8 (Figure 29). Eight economies, namely Thailand; the Philippines; Malaysia; Indonesia; Viet Nam; Mexico; China; and Chile have ratios that are above the average, while the remaining eight economies have below-average ratios.

Figure 29. World Bank STRI ratio to lowest value in maritime auxiliary sector for APEC economies, 2008 or 2011



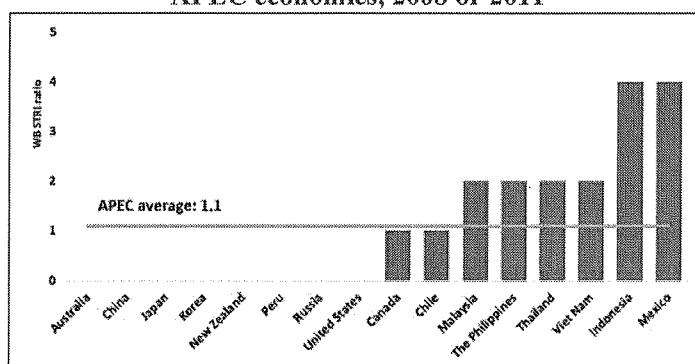
Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data set per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the road freight domestic sector in the APEC region as measured by the WB STRI is 1.1 (Figure 30). Six economies, namely Mexico; Indonesia; Viet Nam; Thailand;

the Philippines; and Malaysia have ratio that are above the average, while the remaining ten have below-average ratio.

Figure 30. World Bank STRI ratio to lowest value in road freight domestic sector for APEC economies, 2008 or 2011

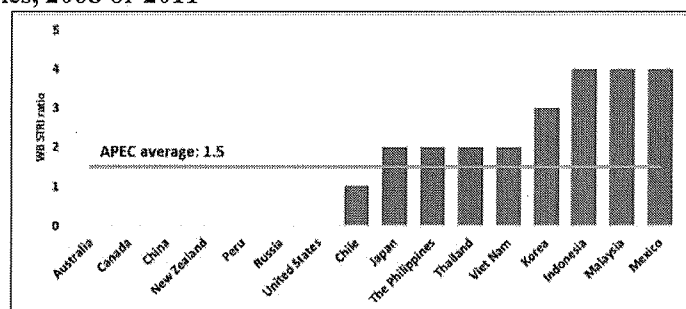


Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data set per sector. The higher the ratio, the more restrictive the sector. APEC data excludes Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, *WB Services Trade Restrictions Database* (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

The average ratio for the rail freight domestic sector in the APEC region as measured by the WB STRI is 1.5 (Figure 31). Eight economies, namely Mexico; Malaysia; Indonesia; Korea; Viet Nam; Thailand; the Philippines; and Japan have ratios that are above the average, while the remaining eight economies have below-average ratios.

Figure 31. World Bank STRI ratio to lowest value in rail freight domestic sector for APEC economies, 2008 or 2011



Notes: Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and *WB Services Trade Restrictions Database* (<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

Table 17. World Bank STRI ratio in logistics and transportation sector for APEC economies, 2008 or 2011

Economies	Transportation	Air passenger international	Maritime shipping international	Maritime auxiliary services	Road Freight Domestic	Rail Freight Domestic
Australia	4.0	11.2	4.3	0	0	0
Canada	5.2	5.9	4.3	0	1	0
Chile	6.2	2.0	1.0	1	1	1
China	6.2	17.8	2.0	1	0	0
Indonesia	21.4	3.9	6.7	2	4	4
Japan	5.0	3.0	4.3	0	0	2
Korea	6.7	8.6	2.3	0	0	3
Malaysia	17.9	8.6	6.7	2	2	4
Mexico	19.8	4.9	6.7	1	4	4
New Zealand	1.7	2.0	3.3	0	0	0
Peru	1.0	1.0	2.0	0	0	0
The Philippines	14.3	3.9	6.7	2	2	2
Russia	4.6	17.8	2.3	0	0	0
Thailand	15.2	8.6	6.7	2	2	2
United States	2.5	5.9	3.3	0	0	0
Viet Nam	12.5	13.2	2.0	1	2	2
APEC	9.0	7.4	4.0	0.8	1.1	1.5

Notes: WB STRI = 0 (completely open) – 100 (completely closed). Latest year for China and Mexico is 2011, and 2008 for the rest of APEC economies. Ratios are computed by dividing the index over the lowest positive value in the data set per sector. The higher the ratio, the more restrictive the sector. APEC data exclude Brunei Darussalam; Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: PSU calculations, and WB Services Trade Restrictions Database

(<http://iresearch.worldbank.org/servicetrade/#>), accessed 10 March 2017.

APEC-wide action #12

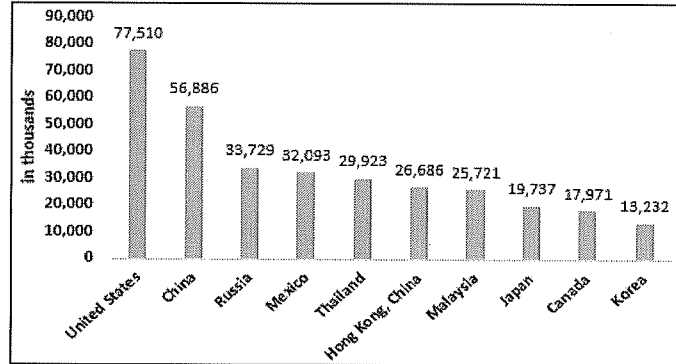
Annual tourist arrivals to APEC reached approximately 399 million in 2015 (Table 18 and Figure 32). The same year saw the United States as the top tourist destination with more than 77 million tourist arrivals (Figure 32), followed by China (57 million), Russia (34 million), and Mexico (32 million). The total tourist arrivals in APEC economies had been increasing over the years, with a CAGR of 5.9 percent from 2010 to 2015. Individually, the CAGR was highest for Japan (18.0 percent), followed by Thailand (13.4 percent), and Chinese Taipei (13.4 percent).

Table 18. International tourism arrivals to APEC economies

Economies	CAGR 2010-2015 (in percent)	International tourism arrivals, 2015 (in thousands)
Australia	5.2	7,444
Brunei Darussalam	0.4	218
Canada	2.1	17,971
Chile	9.8	4,478
China	0.4	56,886
Hong Kong, China	5.8	26,686
Indonesia	8.2	10,407
Japan	18.0	19,737
Korea	8.5	13,232
Malaysia	0.9	25,721
Mexico	6.6	32,093
New Zealand	4.5	3,039
Papua New Guinea	5.6	184
Peru	8.5	3,456
The Philippines	8.8	5,361
Russia	8.6	33,729
Singapore	5.6	12,051
Chinese Taipei	13.4	10,440
Thailand	13.4	29,923
United States	5.3	77,510
Viet Nam	9.5	7,944
APEC	5.9	398,510

Sources: PSU calculations, WB WDI (<http://data.worldbank.org/indicator/ST.INT.ARVL>), and Chinese Taipei Ministry of Transportation and Communications (http://admin.taiwan.net.tw/statistics/year_en.aspx?no=15), accessed 08 March 2017.

Figure 32. Top 10 APEC economies in terms of international tourism arrivals in 2015



Source: WB WDI.

There are variations in visa requirements among APEC economies. From the perspective of the origin economy, between 5 to 17 other APEC economies would require their nationals to obtain visas within the APEC region (Table 19). For example, Chinese nationals need visas to visit 17 other APEC economies. On the other hand, nationals from economies like Canada; Japan; Korea; Singapore; and the United States only require visas to travel to 5 other APEC economies. From another perspective, destination economies require, at most, 20 other APEC economies to obtain visas (Table 20). On one end of the scale, Indonesia does not require visas for nationals from any other APEC economy, while Australia and Papua New Guinea requires all other APEC economies to obtain visas. It should be acknowledged, however, that some APEC economies have facilitated the visa requirement process through the use of electronic travel authorization (eTA), eVisa, and visa on arrival.

Table 19. Number of APEC economies requiring visa from the origin economy

Origin economy	Of economies requiring visa from nationals of origin economy	
	Number via eTA, eVisa, and visa on arrival	Number via non-electronic submission of requirements
Australia	4	3
Brunei Darussalam	4	3
Canada	2	3
Chile	4	3
China	3	14
Hong Kong, China	4	2
Indonesia	2	9
Japan	4	1
Korea	4	1
Malaysia	2	4
Mexico	3	7
New Zealand	4	3
Papua New Guinea	3	11
Peru	2	7
The Philippines	2	10
Russia	2	9
Singapore	4	1
Chinese Taipei	9	3
Thailand	2	5

United States	2	3
Viet Nam	1	13

Note: eTA refers to electronic travel authorization. Passport index data have been adjusted using economy sources, e.g. Hong Kong, China residents do not need visa for China but nevertheless need to have “Home Return Permit”. The table above considers the two as distinct.

Source: *Passport Index* (<https://www.passportindex.org/comparebyPassport.php?pl=nz&s=yes>) and economy sources, accessed 26 April 2017 (*Passport index*).

Table 20. Number of APEC economies required to obtain visa by the destination economy

Destination economy	Of economies required to obtain visa by the destination economy	
	Number via eTA, eVisa, and visa on arrival	Number via non-electronic submissions
Australia	20	0
Brunei Darussalam	3	4
Canada	11	8
Chile	0	5
China	1	15
Hong Kong, China	1	1
Indonesia	0	0
Japan	0	7
Korea	0	5
Malaysia	0	0
Mexico	1	8
New Zealand	0	8
Papua New Guinea	17	3
Peru	0	2
The Philippines	1	1
Russia	0	15
Singapore	0	2
Chinese Taipei	1	8
Thailand	3	1
United States	8	11
Viet Nam	0	11

Note: eTA refers to electronic travel authorization. Passport index data have been adjusted using economy sources. Hong Kong, China as a destination economy does not require visa for Chinese citizens but requires an exit-entry permit for travelling to and from Hong Kong, China.

Source: *Passport Index* (<https://www.passportindex.org/comparebyPassport.php?pl=nz&s=yes>) and economy sources, accessed 26 April 2017 (*Passport index*).

Table 21. APEC international tourism receipts, 2015

Economies	Tourism receipts (in USD million)
Australia	31,283
Brunei Darussalam	140
Canada	16,203
Chile	3,229
China	114,109
Hong Kong, China	42,601
Indonesia	12,054
Japan	27,285
Korea	19,126

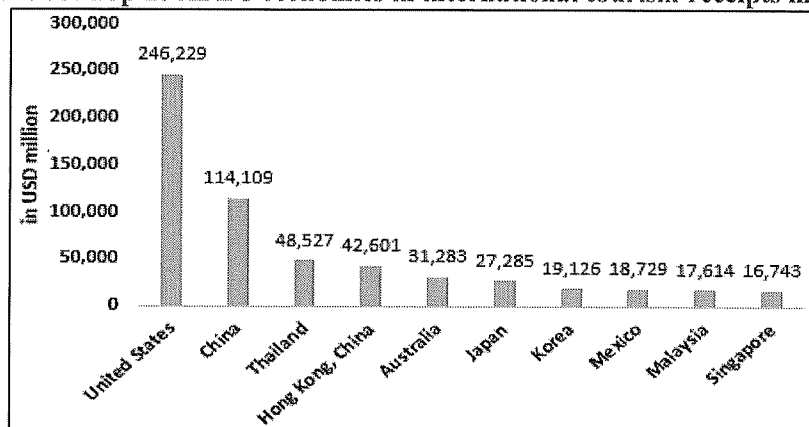
Malaysia	17,614
Mexico	18,729
New Zealand	9,140
Papua New Guinea	1.7
Peru	4,151
The Philippines	6,418
Russia	13,249
Singapore	16,743
Chinese Taipei	14,615
Thailand	48,527
United States	246,229
Viet Nam	7,350
APEC	654,182

Note: APEC data in 2015 exclude Chinese Taipei(2014).

Source: WB WDI (<http://data.worldbank.org/indicator/ST.INT.RCPT.CD>). Chinese Taipei's data sourced from the Ministry of Transportation and Communications, accessed 15 April 2017.

APEC's total international tourism receipts is more than USD650 billion in 2015. Collectively, the top 10 APEC economies contributed close to 90 percent of the group's international tourism receipts during the same year. The United States is the top recipient economy, receiving more than USD246 billion from tourism (Figure 33 and Table 21). An upward trend in international tourism receipts by APEC economies is observed from 2012 to 2015, with a CAGR of 7.9 percent.

Figure 33. Top 10 APEC economies in international tourism receipts in 2015



Source: WB WDI (<http://data.worldbank.org/indicator/ST.INT.RCPT.CD>), accessed 15 April 2017.

The travel and tourism sector directly and significantly contributes to APEC member-economies' GDP and employment. In 2016, the sector contributed more than USD1.2 trillion to APEC's GDP directly and provided direct employment to approximately 48 million people. These contributions have increased over the years, with a CAGR of 5.5 percent and 2.2 percent for GDP and employment, respectively, between 2010 and 2016. For APEC as a whole, the direct GDP contribution per person employed in the travel and tourism sector is about USD26,000 in 2016. By individual member economy, employed persons in Japan's tourism industry contributed the most to GDP at more than USD98,000 in 2016 alone (Figure 34 and Table 22). This was followed by the United States; Hong Kong, China; and Singapore.

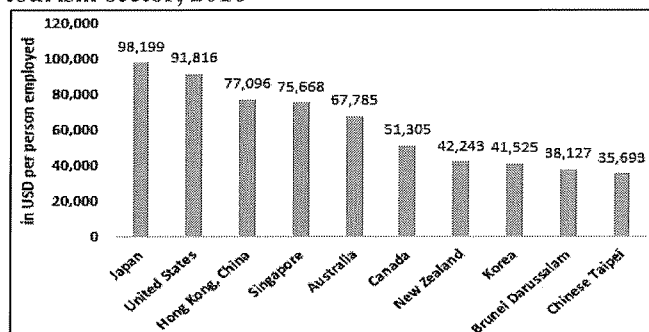
Table 22. Direct contribution of APEC travel and tourism to Gross Domestic Product (GDP) and employment, 2016

Economies	Tourism GDP (2016 constant prices, USD billion)	Employment (in thousands)	Tourism GDP/employment (USD per employed person)
Australia	36.9	545.0	67,784.9
Brunei Darussalam	0.2	5.2	38,126.9
Canada	27.9	543.4	51,305.3
Chile	8.1	269.2	29,992.0
China	275.2	23,680.6	11,622.4
Hong Kong, China	14.6	189.6	77,095.5
Indonesia	17.0	1,944.2	8,756.0
Japan	110.5	1,124.8	98,198.8
Korea	25.0	601.2	41,525.0
Malaysia	14.0	639.7	21,848.6
Mexico	76.7	4,059.3	18,884.8
New Zealand	9.5	223.9	42,243.1
Papua New Guinea	0.1	17.8	6,361.2
Peru	7.6	403.5	18,815.5
The Philippines	25.0	2,219.0	11,256.0
Russia	15.8	869.4	18,169.0
Singapore	12.4	164.0	75,668.1
Chinese Taipei	10.6	296.1	35,693.4
Thailand	36.7	2,313.7	15,859.6
United States	503.7	5,485.8	91,816.0
Viet Nam	9.3	1,959.6	4,757.5
APEC	1236.6	47,555.0	26,004.4

Notes: Direct contribution to GDP refers to the income generated by industries that deal directly with tourists, including hotels, travel agents, airlines, and other passenger transport services, as well as the activities of restaurants and leisure industries that deal directly with tourists. Direct contribution to employment includes the number of direct jobs within travel and tourism.

Source: PSU calculations – Tourism GDP/employment; and WTTC (<https://www.wttc.org/research/economic-research/economic-impact-analysis/country-reports/#undefined>), accessed 13 April 2017.

Figure 34. Top 10 APEC economies in terms of direct contribution to GDP per person employed in the tourism sector, 2016



Source: PSU calculations from WTTC (<https://www.wttc.org/research/economic-research/economic-impact-analysis/country-reports/#undefined>), accessed 13 April 2017.

APEC-wide action #13

There is variation in data availability among APEC economies, depending on the services trade indicators of interest. While APEC economies perform relatively well when it comes to data availability on cross-border trade in services, services trade in value added as well as the number of arrivals/departures, improvements can be made regarding data availability on intra-APEC trade in services and inward/outward foreign affiliate trade in services (FATS). It is also worthwhile to note that, despite 17 economies having data on services foreign direct investment (FDI), the latest year where data is available is 2012, and even earlier for other economies (Table 23).

Table 23. Baseline measures/indicators for trade in services, latest year available

Baseline measure/ indicator	AUS	BD	CDA	CHL	PRC	HKC	INA	JPN	ROK	MAS	MEX	NZ	PNG	PE	PHL	RUS	SGP	CT	THA	USA	VN
Cross-border trade in services	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	x	'15	'15	'15
Trade in services by sector	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	x	'15	'15	x
Intra-APEC trade in services	'15	x	'15	x	x	x	x	x	'14	x	x	'15	x	x	x	x	x	x	x	'14	x
Services trade in value added	'11	'11	'11	'11	'11	'11	'11	'11	'11	'11	'11	'11	x	x	'11	'11	'11	'11	'11	'11	'11
Share of services in manufacturing sector	'11	'11	'11	'11	'11	'11	'11	'11	'11	'11	'11	'11	x	x	'11	'11	'11	'11	'11	'11	'11
Inward/Outward foreign affiliate trade in services (FATS)	x	x	'14	x	x	'14	x	'14	x	x	x	'12	x	x	x	x	'15	x	'14	'14	x
Foreign direct investment (FDI) in tertiary sector	'12	'11	'12	'12	'11	'10	'11	'12	'12	'12	'12	x	x	'11	'12	'10	x	x	'11	'12	'12
Investment in services by sector	'12	'11	'12	'12	'11	'10	'11	'12	'12	'12	'12	x	x	'11	'12	'10	x	x	'11	'12	'12
Number of arrivals/departures	'15	'15	'15	'16	'15	'16	'15	'15	'16	'15	'15	'15	'15	'15	'16	'15	'15	'16	'16	'15	'16

Note: x no data. The years accounted for are from 2010-April 2016.
Source: Authors' compilation, accessed February-April 2017.

APEC-wide action #14

The prevalence of food inadequacy among APEC member- economies ranged from less than 5 percent to 20.7 percent during the period 2014-2016 (Table 24). Generally, the prevalence of food inadequacy among APEC developed economies is relatively lower compared to developing economies in the region.

Table 24. Prevalence of food inadequacy

Economies	Prevalence of food inadequacy (in percent) 2014-2016
Australia	<5
Brunei Darussalam	5
Canada	<5
Chile	7.3
China	15.9
Indonesia	13.9
Japan	<5
Korea	<5
Malaysia	5.5
Mexico	8.6
New Zealand	<5
Peru	14.2
The Philippines	20.7
Russia	<5
Thailand	15.5
United States	<5
Viet Nam	17.9

Notes: The prevalence of food inadequacy is conceptually analogous to the prevalence of undernourishment, but the former is calculated by setting the caloric threshold at a higher level corresponding to the energy needed for physical activity level (PAL): for moderate ([PAL = 1.75), normal (PAL = 1.85), and intense (PAL = 2.25). It measures the percentage of the population at risk of not covering the food requirements associated with particular levels of physical activity. <5 – refers to the proportion of food inadequacy less than five percent. Data not available for Hong Kong, China; Papua New Guinea; Singapore; and Chinese Taipei.

Source: FAO database (<http://www.fao.org/faostat/en/#data/FS>), accessed 12 March 2017.

APEC-wide action #15

The use of renewable energy in APEC has been increasing, with the share of renewables up by 4 percent from 2010 to 2017 (Table 25). In contrast, APEC's aggregate energy intensity continues to decrease from 11.2 in 2005 to 9.5 in 2017 (Table 26). These outcomes are in line with the APEC's goal of doubling the share of renewable energy and reducing energy intensity.

Table 25. APEC renewable energy

Year	APEC Share of Renewables (in percent)	
	Power Generation	TFEC
2010	16	5.2
2015	19	5.9
2016 (estimate)	19	6.0
2017 (estimate)	20	6.1

Note: Excludes traditional biomass from Total Final Energy Consumption (TFEC).

Sources: Analysis: APEC Energy Demand and Supply Outlook 6th Ed, Asia Pacific Energy Research Centre 2016;
Data: International Energy Agency (IEA).

Table 26. APEC energy intensity

Year	APEC Aggregate Energy Intensity (ratio: energy/GDP)
2005	11.2
2010	10.2
2015	9.7
2016 (estimate)	9.6
2017 (estimate)	9.5

Source: Analysis: APEC Energy Demand and Supply Outlook 6th Ed, Asia Pacific Energy Research Centre 2016;
Data: IEA.

APEC Services Competitiveness Roadmap (ASCR) Baseline Indicators

APEC-wide actions #16, #17, #18, and #19

Actions and indicators under these APEC-wide actions are to be provided by the accountable APEC groups as enumerated in the summary (Table 2).

