



## WHAT IS APEC AND WHAT CAN IT DO FOR BUSINESS-?

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### I. WHAT IS APEC ?

APEC stands for the Asia-Pacific Economic Cooperation Forum. Today, APEC has 21 members, including all the major economies of the region and some of the most dynamic, fastest growing economies in the world. APEC members have a combined Gross Domestic Product of over \$16 trillion and carry out 42% of world trade. Over the past decade, APEC has become the primary vehicle in the region to promote open trade and economic cooperation. APEC's role has grown in recent years in both depth and scope and now encompasses trade liberalization, business facilitation, economic and technical cooperation, youth and women.

#### **A GREAT TOOL FOR BUSINESS: BizAPEC.com**

*A tool is available for businesses to access the wealth of practical information available within the APEC website. Please check out the portal "BizAPEC.com." An on-going project to complement the site will be a Portal Hub. You will also find useful the publication; "APEC Getting Results for Business." Find it in the Virtual Library and at [http://www.dfat.gov.au/apec/apec\\_bus\\_results.pdf](http://www.dfat.gov.au/apec/apec_bus_results.pdf).*

### **APEC's Background**

APEC was established in 1989 in Canberra, Australia with 12 members. Its origins lay in the desire of the founding members to promote economic growth, foster and strengthen trade, and improve living standards in the Asia-Pacific region. APEC started with a modest program of sectoral and trade initiatives. From the beginning, APEC has seen itself not as a grouping of countries, but of economies, the term emphasizing that the organization discusses economics, not politics. It was also established as a loose consultative forum, with no organization structure or a large bureaucracy supporting it. Indeed, even today, the APEC Secretariat, which is located in Singapore, includes only 20 diplomats seconded from APEC member economies in addition to 20 locally hired staff.

It was in 1993 that an annual meeting of APEC Leaders became a regular feature of APEC. Only one year after this first meeting, which was held in the U.S., APEC Leaders took another historic step at their meeting in Bogor, Indonesia. At this meeting, the Leaders declared a bold goal of creating the world's largest area of free trade and investment by 2020. Within APEC, this challenge became known as the "Bogor Goals." Under the plan, developed economies would achieve free trade by the year 2010 and developing economies would follow in 2020.

*[APEC's 21 members today are: Australia; Brunei Darussalam; Canada; Chile; the People's Republic of China; Hong Kong, China; Indonesia; Japan; South Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States; and Viet Nam.]*

#### **HOW BUSINESSES CAN GET INVOLVED IN APEC:**

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**-- If you are interested in the specific activities of an APEC working group, task force, or other APEC group, contact directly the program director for that group. Check the APEC Secretariat website at <http://www.apecsec.org.sg>. Or [bizAPEC.com](http://bizAPEC.com) for a comprehensive list of the working groups and task forces and the name and contact information of the relevant director.**

At their meeting in Japan in 1995, the Leaders approved what became known as the Osaka Action Agenda. Under this approach, APEC established three central pillars to its cooperative work: trade and investment liberalization, trade facilitation, and economic and technical cooperation. A more detailed discussion of these three pillars appears below. Building on both Bogor and Osaka, the next year, the Leaders endorsed a "Manila Action Plan." In effect, this Action Plan put the flesh on the bare bones of both Bogor and Osaka. It outlined the trade and investment liberalization and facilitation measures needed to reach the Bogor Goals. It also established a system of collective and individual action plans which detail the paths by which economies will reach the Bogor Goals.

Before describing any further what APEC is, it would be useful to make clear what it is not. APEC is not:

- a formal trade agreement like the North American Free Trade Association (NAFTA);
- a European-style "common market,"
- a rules-based organization like the World Trade Organization (WTO);
- a policy think tank group like the Organization for Economic Cooperation and Development (OECD).

#### **APEC's First Pillar: Trade and Investment Liberalization**

The first pillar is critical for APEC's ability to achieve its Bogor Goal of free trade in the APEC region by the year 2020. It works on the basis of unilateral liberalization, which means that each APEC member voluntarily agrees to liberalize in a particular area of trade and investment. APEC has developed a tool for achieving this pillar: individual action plans (known by the acronym IAP). All APEC economies are required to prepare and regularly update these IAPs.

Each IAP includes details on the 15 sectors specified by the Osaka Action Agenda. They include the following areas:

- tariffs
- non-tariff measures
- services
- investment
- standards and conformance
- customs procedures
- intellectual property rights
- competition policy
- government procurement
- rules of origin
- dispute mediation
- the mobility of business people
- implementation of outcomes of the Uruguay Round of trade talks and
- information gathering and analysis.

In addition to each IAP describing what APEC members are doing in these areas, there are working-level groups within APEC which work towards making further progress in each of the 15 areas. APEC has made these IAPs more accessible to business by simplifying formats and creating electronic IAPs. These "e-IAPs" became fully operational in November 2000. In addition to the IAPs, APEC members work together collectively in these same areas through the use of Collective Action Plans, known as CAPs.

### **APEC's Second Pillar: Trade Facilitation**

Essentially, trade facilitation is aimed at making doing business in the region easier and less costly. Although work in this area continues on a broad front, APEC has already made substantial progress in many areas including standards, customs, electronic commerce, business travel, telecommunications, energy, fisheries, and government procurement. Some examples will be discussed separately, to better highlight how business can best take advantage of the progress in these areas.

As part of this trade facilitation work APEC Leaders at their meeting in Shanghai in 2001, set a goal of reducing transaction costs throughout the APEC region by five percent by 2006. All APEC groups are working to meet this target.

In addition, APEC has agreed to implement APEC Transparency Standards to provide business and investors comprehensive and clear information on the rules and regulations of each APEC member.

### **APEC's Third Pillar: Economic and Technical Cooperation**

Within APEC, economic and technical cooperation is described in shorthand by the term, "Ecotech." It should first be stressed that Ecotech does not mean development assistance to developing APEC economies. Instead, Ecotech is collectively the activities and programs of APEC aimed at achieving its overall goals of attaining sustainable growth, broadening the benefits of that growth to improve the economic and social well-being of all our people and deepen the spirit of community in APEC.

At their meeting in Manila in 1996, APEC Leaders identified six priority areas for APEC's work in Ecotech:

- developing human capital;
- fostering safe and efficient capital markets;
- strengthening economic infrastructure;
- harnessing technologies for the future;
- promoting environmentally sustainable growth; and
- encouraging the growth of small and medium enterprises.

Currently, APEC has 250 ongoing Ecotech activities.

As a regional economic organization, APEC plays an important role in the economic globalization process. In the past decade, member economies have made remarkable achievements in their pursuit of open and free trade and investment. Since 2001, however, the Asia Pacific region faces a number of new and serious challenges.

- The terrorist attacks in the United States in September 2001 caused APEC, for the first time, to confront a political issue, but one with major economic dimensions. The APEC Leaders in Shanghai issued a statement on counter terrorism, detailing a number of steps that must be addressed to respond vigorously to the threat. Further terrorist attacks in other APEC members have made confronting terrorism an on-going challenge for APEC. The Leaders in Los Cabos in October 2002 launched a number of new initiatives continuing their response to terrorist threats.
- The pronounced weakness of the global economy over the last two years, even before the events of September 11, led to financial instability and fears of contagion. Market confidence was seriously weakened by both economic weakness and by corporate governance scandals, slowing progress in globalization. Economies of the region reliant on external demand been unable to gain substantial momentum with their economic recoveries. Financial systems are still seen as increasingly vulnerable to a new round of crisis.
- The final launch of a new round of WTO talks, assisted in part by work done in APEC has helped break a logjam in global trade talks. Now progress will be possible in a range of important trade areas. Although APEC as an institution will not be involved directly in those talks, APEC will closely monitor the process and do its best to help it along.
- The deadline for realizing the commitments under the Bogor Declaration by 2010/2020 is quickly approaching. APEC's credibility is at stake unless it can demonstrate political will and decisively translate commitments into concrete actions to achieve the Bogor Goals of trade and investment liberalization and facilitation (TILF).
- Economic globalization is being accompanied by a public debate on its benefits and costs. The time has come for APEC to step forward and contribute to ways of maximizing the benefits for common development and easing the costs of economic globalization, and thus lead the public debate in a constructive manner.

Another key development in APEC over the last two years is the development of ***Pathfinder Initiatives***. This allows groups of member economies to pilot the implementation of cooperative initiatives prior to their being adopted by all APEC members. APEC is currently moving ahead with these pathfinders:

- Advance Passenger Information Systems;
- The revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures; Electronic Sanitary and Phyto-sanitary Certification;
- Electronic Certificates of Origin;
- Mutual Recognition of Arrangement of Conformity Assessment on Electrical and Electronic Equipment parts II and III;

- Corporate Governance.

Finally, APEC has launched several initiatives targeting **terrorism** and its economic impact:

- A number of steps to enhance air and maritime security, strengthen energy security, strengthen critical sector protection and enhance security-related cooperation on customs and border security;
- Adopted the **Secure Trade in the APEC Region (STAR) Initiative**, designed to assure the security of trade and travel, while improving the efficient flow of legitimate goods and travelers;
- Approved the **APEC Action Plan on Combating and Financing Terrorism**, which aims to deny terrorists access to the world's financial system, by improving international cooperation and monitoring of alternative remittance systems;
- Approved the **APEC Cybersecurity Strategy**, to protect the integrity of APEC's communications and information systems while allowing the free flow of information.

## II. HOW APEC WORKS

The Asia-Pacific Economic Cooperation Forum is not a rules-based organization with trade dispute enforcement powers like the WTO. APEC, instead, works on the basis of consultation and consensus-building. New policies agreed within APEC meetings are voluntary and much of APEC's progress comes through members setting examples for each other and through peer pressure. A key element of the process is open sharing of information between members and the public, an element underlined by the central use of the Individual Action Plans available to anyone logging on to the APEC website.

The apex of each year for APEC is the meeting of Economic Leaders. Since the Chair of APEC rotates each year, there is a different host for each of these Leaders meetings. For example, last year Presidents Bush, Jiang, and Putin and Prime Minister Koizumi and the other APEC Leaders traveled to Los Cabos, Mexico, where President Vicente Fox hosted them. This year, Thailand chairs APEC and Prime Minister Thaksin Chinnawat will host the APEC Economic Leaders in Bangkok, Thailand October 20 and 21. In subsequent years, Chile (2004), the Republic of Korea (2005), Vietnam (2006), and Australia (2007) will chair APEC.

However, throughout an "APEC" year, there are many meetings held at different levels aimed at preparing issues for decision by the Leaders, as well as at carrying out directions issued by Leaders in previous years. (The schedule for these meetings can be found on the APEC website under the "APEC Calendar" at <http://www.apecsec.org.sg/whatsnew/calend/calendar.html>.) The meetings of APEC Ministers make up the highest level of these meetings. There are regular, although not always annual, meetings of APEC Ministers of education, energy, environment and sustainable development, finance, human resources development, science and technology, small and medium enterprises, telecommunications, trade, and transportation.

Below the level of the Ministers, APEC Senior Officials meet three or four times throughout the year. As with the meetings of the Ministers, these "SOM" meetings both prepare for the Leaders' Meeting later in the year and respond to directions set by Leaders in earlier meetings. Below SOM are three overarching committees and 23 working level groups that work both in the sectors detailed in the Individual Action Plans (see the top of page 3) and in other areas, including:

- energy
- fisheries
- human resources development

- industrial science and technology
- marine resources conservation
- telecommunications
- trade promotion
- transportation
- tourism
- agricultural technical cooperation
- small and medium enterprises.

There is a Program Director at the APEC Secretariat who supports the working level activities being carried on in APEC in each of these areas as well as those mentioned elsewhere. You can identify each Program Director and contact them by logging on to <http://www.apecsec.org.sg> and going to the "APEC Secretariat" page and then to "Incumbent PSMs and Duties." In addition, information on the working level groups themselves appears under the WebPages "Activities by Groups."

***A New Site for Businesses: APEC DISPUTE RESOLUTION***  
***The aim of the site is to provide information to business people and their professional advisors with transparent and authoritative information on methods for resolving commercial disputes that do not involve litigation.***  
***You can find the site at <http://www.arbitration.co.nz>.***

### **The APEC Secretariat**

The APEC Secretariat is based in Singapore. The Secretariat is staffed by 20 diplomats seconded from APEC member economies and by 20 local staff. An Executive Director, who is always an Ambassador seconded from that year's APEC host, heads the Secretariat. Since Thailand is this year's host of APEC, the current Executive Director, Ambassador Piamsak Milintachinda, is a Thai. The Deputy Executive Director is always from next year's APEC host and he or she becomes the Executive Director the following year when the new APEC host takes over. The current Deputy Director, Chile's Ambassador Mario Artaza, will serve as the Secretariat's Executive Director for Chile's year as host of APEC in 2004. The other 20 seconded diplomats are currently from 18 of the APEC members and are from Foreign Affairs and Trade Ministries.

The Secretariat works under the direction of the APEC Senior Officials and is the core support mechanism for the APEC process. It provides advisory, operational and logistical/technical services to member economies and APEC forums. It also provides advice on the design of APEC projects, manages project funding, and evaluates the projects after they are completed. In addition to maintaining the website, it produces a range of publications and liaises with the media. Finally, it provides APEC's institutional memory through its Library, Archives and databases.

### III. THE CRITICAL ROLE OF BUSINESS IN APEC

#### The APEC Business Advisory Council

There are few international or regional organizations of officials in which the business sector plays such a central role. The members of the Asia-Pacific Economic Cooperation Forum have long realized that business is a key constituency for its work and that business must be actively involved for APEC to be successful. During APEC's early years, APEC officials regularly consulted prominent business representatives in the Asia-Pacific region. In 1995, Leaders decided to formalize this relationship and established the APEC Business Advisory Council (ABAC). ABAC's members are chosen directly by the APEC Leaders. Each APEC Leader chooses up to three members. Most APEC economies reserve one of their ABAC positions for a representative from a small or medium-sized enterprise, thanks to the key role that these SMEs play in all APEC economies.

ABAC meets several times during the year and compiles an annual report containing recommendations on ways to improve the business and investment climate in the APEC region. ABAC presents this report personally to the APEC Leaders at the Leaders meeting each year. As an example, at the Los Cabos Leaders meeting, ABAC members presented their report in a personal meeting with President Vicente Fox, President George W. Bush, President Vladimir Putin, Prime Minister Junichiro Koizumi Mori, Chinese President Jiang Zemin and the other APEC Leaders. There was also a question-and-answer session during the meeting. ABAC's 2002 Report to APEC Economic Leaders was broad-ranging but full of detailed recommendations aimed at addressing problems in a number of different areas. It contains the following main themes:

- It is the time for APEC economies to reaffirm their commitments to the Bogor Goals of **free trade** in the APEC region by 2010/2020 and to secure desirable outcomes from the **WTO** negotiations at the earliest possible opportunity.
- **Facilitation of trade and investment** is central to APEC's mission. Harmonizing standards and eliminating impediments to the conduct of cross-border business are essential to encouraging the free flow of people, goods, services, long-term investments, and know-how.
- Terrorism has effects that go beyond the political arena and directly affect the entire business environment as it stifles and erodes business confidence. APEC must therefore join forces to **enhance security, curtail terrorist financing** and develop **effective management processes to resist, respond and recover from crises**.
- **Good corporate governance and transparency** are essential to the efficient functioning of financial markets and the overall, economy. APEC economies must improve corporate governance to restore confidence and stimulate economic recovery in the region.
- **Small and medium enterprises (SMEs)** play a vital role in all APEC economies. SMEs contribute to economic growth, job creation, regional and local development, social cohesion and poverty reduction. It is vital that APEC Leaders work to free the entrepreneurial spirit in our people by eliminating impediments to entrepreneurship and small business development. **Micro-enterprises**, which provide a business approach to the alleviation of poverty and contribute to a more inclusive world economy, should be encouraged by APEC member economies.

In order to give substance to these key messages, ABAC calls upon APEC Leaders to:

- Develop a concerted **action plan** for APEC members participating in the negotiations on the **Doha Development Agenda** to pursue. While all the issues of this agenda are of interest to business people, priority is needed to regain the momentum for trade liberalization in areas where the greatest gains for the greatest number is possible. In ABAC's view, urgent action is required to free up access and eliminate export subsidies in agricultural products; free up access and reduce tariffs on tropical products; reduce high tariffs on manufactured goods

including textiles and apparel; eliminate the use of anti-dumping actions and trade restrictive non-tariff measures.

- Take urgent action to restore investor confidence by measures **to improve corporate governance standards and practices** in APEC member economies and promote the transparency of policies affecting trade and investment. In particular, APEC economies should move to adopt one set of internationally accepted accounting standards, implement measures to promote the highest standards of ethical corporate behavior, audit independence and transparency and fairness in reporting.
- Create the regulatory framework and implement capacity building initiatives so that goods, business travelers, financial services, information and ideas flow freely throughout the region while meeting security concerns.
- Undertake concerted public and private sector action directed at **promoting economic growth**; restoring confidence and integrity in financial systems, markets and companies; enhancing the international financial architecture and regional and sub-regional co-operation in addressing financial challenges; and capacity building measures to assist economies and firms in adopting international standards and practices.
- Remove the impediments **empowering the entrepreneurial spirit** of our populations. This can be done by creating a policy environment for SME growth through reduced compliance costs and improved access to information, technology and financing. ABAC also calls for effective delivery and development of micro-finance in developing economies to help the growth of micro-enterprises.
- Expedite the implementation of the necessary laws and capacity building initiatives to create an **enabling environment for e-commerce**, meet agreed targets under the trade policies for the new economy initiative, broaden and deepen e-government applications drawing on private sector expertise to measure progress, and work with the private sector to develop concrete projects to improve information communications and technology skills so more can participate in the digital economy.
- Encourage **more public/private partnerships** to realize the APEC vision. The Trans-Pacific Multimodal Security System is an innovative example of the ways public/private sector partnerships between several APEC economies can promote business facilitation, customs modernization, the use of intelligent transportation systems, capacity building and enhanced global security.
- Improve communication of the **benefits of trade liberalization and regional integration** to APEC's communities, to strengthen support for and generate momentum to achieve the Bogor free trade goals. ABAC commends the sectoral dialogues that APEC has begun with the private sector.

ABAC will discuss these and other issues in their Dialogue with APEC Leaders, which they will hold in Bangkok, Thailand on 20 October 2003. Past recommendations from ABAC have been adopted as APEC goals. Electronic Individual Action Plans, the APEC Food System, an E-Commerce Readiness Assessment and many other APEC initiatives owe their genesis to ABAC recommendations. You can see the ABAC report in its entirety at [http://www.apecsec.org.sg/abac/reports/ABAC\\_Report\\_2002.pdf](http://www.apecsec.org.sg/abac/reports/ABAC_Report_2002.pdf). ABAC's website is: <http://abaconline.org>



## **The CEO Summit**

As an added opportunity for top business leaders to participate in the APEC Leaders' meeting, a CEO Summit is organized each year. At last year's CEO Summit in Los Cabos, Mexico, Presidents Vladimir Putin, Vicente Fox, Premier Jiang Zemin, Prime Ministers Mahathir Mohamad, Helen Clark, Junichiro Koizumi, Chief Executive Tung Chee Hua and WTO Director General Supachai Panitchpakdi spoke, along with other leading political, academic and business representatives, to a gathering of over 300 top business executives.

## **Business Advising APEC at the Working Level**

Below the level of the APEC Leaders and ABAC, business is active at many levels in APEC and in many of the APEC Ministerial and working-level groups. At the level of the Ministers, the APEC Finance Ministers established the APEC Financiers Group, which consists of representatives of financial institutions from each APEC economy, in 1995. In 2002, the APEC Energy Ministers held a full-day public and private sector dialogue and a separate dialogue with the Energy Business Network, a grouping of energy-related private sector companies. The APEC SME Ministers hold joint meetings with the SME Business Forum and also have met as well with the Women Leaders' Network and an E-Commerce Workshop.

At the working level of APEC, there are many different ways in which business advises APEC officials. For example, business representatives have participated in meetings of the Intellectual Property Rights Experts Group since 1996 and the Fisheries Task Force of the Pacific Economic Cooperation Council (PECC) has worked with the Fisheries Working Group since 1991. Other working level APEC groups hold annual dialogues with the private sector: the Infrastructure Workshop, the Sub-Committee on Customs Procedures, and the Trade Promotion Working Group. As noted earlier, other APEC working groups have established a private sector arm such as the Energy Business Network of the Energy Working Group. Many other groups have ad hoc contacts with business and others, such as the Informal Experts Group on the Mobility of Business People and others include business representatives as members of their delegations. These include the Industrial Science and Technology Working Group, the Marine Resources Conservation Group, and the Telecommunications Working Group.

## **IV. WHAT APEC DOES FOR BUSINESS**

The direct and extensive involvement of business in the deliberations of the Asia-Pacific Economic Cooperation Forum is critical for APEC's work and for staying on track to achieve the Bogor goals of trade liberalization in the Asia-Pacific region by the year 2020. Business provides APEC officials with a cutting-edge view of entrepreneurial developments and high-technology and helps point APEC the right way in removing impediments to doing business in the region. The business sector has been instrumental in detailing how APEC economies can best make themselves ready for the new economy and e-commerce. With the head-spinning changes taking place not only in technology but the structure of commerce itself, APEC officials would be hopelessly behind the curve keeping up with the changes without the direct ties with those in the business sector at the forefront of these revolutionary changes.

It is often hard to point out a "top ten" of APEC achievements that benefit the private sector. APEC works in so many different areas that it would be impossible to rank order such a diversity of initiatives. The best approach would be to highlight a few examples from a number of the areas that benefit businesses most directly. The next section, "Recent APEC Success Stories," attempts to do just that.

## **RECENT APEC SUCCESS STORIES**

### **Standards and Conformance**

- APEC members have committed to align domestic standards with relevant international standards in four priority sectors by 2005 (electrical and electronic appliances, food labeling, rubber gloves and condoms, and machinery). Member economies have also agreed to align all electrical safety and electromagnetic compatibility standards by 2008.
- APEC is eliminating the need for separate testing for compliance with product standards in each importing economy through the adoption of ***Mutual Recognition Arrangements (MRAs) on Conformance Testing***. Manufacturers will be able to test importing country standards in approved facilities in their home economy. Key sectors include:
  - ***Telecommunications Equipment***: The Telecommunications MRA covers trade worth an estimated US\$ 50 billion per year. It is estimated that the MRA will save five percent of the cost of new product placement, cut six months off the placement of new products in markets and reduce marketing costs for new products by up to thirty percent.
  - ***Food and Food Products***: The APEC Food MRA is designed to facilitate trade by minimizing food inspection controls at the point of entry into import economies on the basis of assurances provided through pre-export conformity assessment using official and officially recognized inspection and certification systems. It is an umbrella arrangement under which the implementing elements of sectoral arrangements relating to specific foods or food product sectors are to be included.
  - ***Electrical and Electronic Equipment***: The Electrical MRA will be the first truly multilateral arrangement of its type. Unlike the Food and TEL MRAs, it does not require the approval of testing facilities and recognition of test results to be based on a bilateral agreement within a multilateral framework. Rather the Electrical MRA contains parts that are implemented multilaterally.
- APEC has developed guidelines and arrangements for the ***exchange of information*** in the following sectors:
  - ***Food***: The Food Recall Guidelines will help developing members establish their own food recall systems and ensure a consistent approach among all members. As an adjunct to the Guidelines, APEC has endorsed an Arrangement for the Exchange of Information on Food Recalls. The guidelines and arrangement contribute to facilitating trade in food and food products within the APEC region while minimizing the risks to health and safety of consumers.
  - ***Toys***: The Arrangement for the Exchange of Information on Toy Safety provides a mechanism for the exchange of information on technical regulations dealing with the risks to health and safety of children that may arise from hazards associated with toys.

### **Business Travel**

- APEC has made business travel much easier within the APEC region. Expanded granting of multiple entry visas and a greater number of visa waiver arrangements have greatly simplified business travel. Instant access to visa requirements within APEC has also been provided through the ***APEC Business Travel Handbook website*** (<http://www.apecsec.org.sg/travbook/contents.html>).
- The ***APEC Business Travel Card*** scheme ensures ongoing visa-free travel and expedited airport processing for holders. After China and Chinese Taipei joined the scheme in 2001, and Indonesia in

2002, 13 economies now participate in the APEC Business Travel Card scheme and more are expected to join in the future, including Japan later in 2003. The APEC Business Advisory Council is a strong proponent of the Travel Card.

### **Customs**

- Economies are implementing both the *WTO Customs Valuation Code* to ensure regional consistency in valuing traded goods, and the World Customs Organization's Guidelines on Express Consignment Clearance. An extensive cooperation program is under way to help all members reach these targets.
- The *APEC Blueprint for Customs Modernization* maps out APEC's strategic direction in the area of customs and enables business to visualize the future changes and the positive impacts they will have.

### **E-Commerce and "Paperless Trading"**

- The *APEC Blueprint for Action on E-Commerce* responds to the Internet revolution by committing APEC members to a goal of paperless trading. The computerization of customs and other trade-related procedures through the adoption of the UN/EDIFACT standard is a key step towards paperless trading. The Blueprint also guides governments on the development of legal, technical, operating and trading environments for e-commerce. The *E-Com Legal Guide* (<http://www.bakerinfo.com/apec>) provides businesses with Internet access to members' current laws on electronic transactions and regulatory barriers affecting e-commerce. The *E-Commerce Readiness Assessment* ([http://www.apecsec.org.sg/download/abac/e\\_commerce\\_read\\_guide.exe](http://www.apecsec.org.sg/download/abac/e_commerce_read_guide.exe)), developed with extensive private sector input, advises officials how best to make their economies ready to adopt the new economy.

### **Telecommunications**

- The *APEC Telecommunications Interconnection Framework* simplifies the negotiation of telecommunications contracts with detailed, non-prescriptive conditions for inclusion in contracts between telecommunications carriers negotiating the connection of services.

### **Energy**

- The *Manual of Best Practice Principles for Independent Power Producers* (<http://www.apecsec.org.sg/download/pubs/ippmanual.exe>) promotes a more certain investment environment for energy suppliers by advocating transparency and consistency in institutional and regulatory structures; tender/bid processes and evaluation criteria; power purchase arrangements and associated tariff structures; and financing.

### **Transportation**

- The *Road Transport Harmonization Project* is a multi-phased effort to reduce barriers to trade in the automotive sector by promoting standards harmonization taking into account traffic safety and environmental protection needs. APEC has endorsed a *Model Mutual Recognition Arrangement on*

**Automotive Products** to promote bilateral and multilateral arrangements between APEC members on the mutual acceptances of standards.

### **Intellectual Property**

- APEC's **Guidelines for Simplification and Standardization of Administrative Procedures for Intellectual Property Protection** will lessen the burden on business of complicated procedures when applying to obtain intellectual property rights in different economies. The Guidelines are a step towards standardized APEC trademark applications and, eventually, to "paperless filing." The APEC IPR Information Mall and the Intellectual Property Contact List websites provide business with easy access to information on intellectual property protection regimes, including IPR enforcement systems, and contact details for relevant government officials, business people and academics.
- APEC has pursued a cooperation program to assist members in implementing the WTO TRIPS Agreement. Activities undertaken include a symposium to support TRIPS implementation and surveys on the current status of implementation of the Agreement.

### **Trade Promotion**

- One of APEC's tools in stimulating trade has been the holding of **APEC Trade Fairs**. The APEC Trade Fairs make it easier for member economies to showcase products, services and technologies of APEC member economies, promote trade and investment, and foster closer business and economic relationships among business communities in the region. The APEC Working Group on Trade Promotion has been holding these APEC Trade Fairs once every two years. The last one, the 4<sup>th</sup> APEC International Trade Fair, was held in Indonesia in October 2000. The date and venue for the 5<sup>th</sup> APEC International Trade Fair in 2002 is still pending.
- The same Trade Promotion Working Group also runs **APECNet**, which allows businesses to search for business opportunities (including business matching services) in member economies, by posting inquiries and accessing member economies homepages.

### **Enhancing Access to Market Information**

- The **APEC Tariff Database** (<http://www.apectariff.org>) includes tariff rates from 17 economies at either the 9-digit or 6-digit level of the HS Code on all products on which they levy tariffs. The database is not only useful for APEC members but for all importers and exporters worldwide.
- The **APEC Directory of Professional Services** ([http://www.dfat.gov.au/apec/prof\\_services/index.html](http://www.dfat.gov.au/apec/prof_services/index.html)) will facilitate trade in services by increasing transparency, making relevant information more accessible and contributing to any future development of common professional standards in the APEC region.
- The **Compilation of Information on Food Labeling Laws, Regulations and Standards in the APEC Region** benefits food exporters by providing easy access to such information at minimum cost while ensuring the health and safety of consumers.
- The **APEC Manual on Air-Shipped Live and Fresh Seafood** (available for purchase from the APEC Secretariat website) provides customs, health and technical guidelines on preparing and packaging goods for air shipment in APEC markets. With the demand for these products growing worldwide, the contribution that this makes to facilitating trade for fish harvesters, importers, wholesalers and retailers in APEC economies, particularly recent entrants (most of whom are small

enterprises) is significant. The current value for trade in live fish alone is estimated at over US \$1.2 billion.

- The *APEC Investment Guidebook* (<http://www.apecsec.org.sg/download/pubs/invstguide4.exe>) provides information on foreign investment regimes in APEC economies, including regulatory frameworks, investment protection and promotion and incentives.
- The *APEC Investment Mart* and the *Cyber Mart* provide potential investors with detailed information on investment policies and environments of APEC economies.
- The *APEC Government Procurement Homepage* (<http://www.apecsec.org.sg/govtproc/gphome.html>) details members' policies and procedures for bidding on public procurement contracts and, where available, links to domestic sites listing actual bidding opportunities. Government markets typically represent 10-15% of GDP.
- *APECNet* (<http://www.apecnet.org.sg>) allows businesses to post or identify business opportunities over the Internet. This provides business with a convenient and cost-effective platform to facilitate business exchange. On average, the site records a monthly hit rate of 45,000 with 8,000 monthly requests for information about member economies.
- The *APEC Ports Database* (<http://www.apecport.org>) provides business with readily accessible, user-friendly information on port location, administration, capacity, and relevant shipping agents.