

## TWELFTH APEC MINISTERIAL MEETING

Bandar Seri Begawan, Brunei Darussalam  
12 –13 November 2000

### JOINT STATEMENT

#### ***Introduction***

1. Ministers from Australia; Brunei Darussalam; Canada; Chile; the People's Republic of China; Hong Kong, China; Indonesia; Japan; the Republic of Korea; Malaysia; Mexico; New Zealand; Peru; the Republic of the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam participated in the Twelfth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting in Bandar Seri Begawan on 12-13 November 2000. The APEC Secretariat was present. The Association of South-East Asian Nations (ASEAN) Secretariat, the Pacific Economic Cooperation Council and the Pacific Island Forum attended as observers.
2. The meeting was Chaired by the Honourable Abdul Rahman Taib, Minister of Industry and Primary Resources, of Brunei Darussalam, and Her Royal Highness Princess Masna, Acting Minister of Foreign Affairs, of Brunei Darussalam. The main theme for APEC 2000, *Delivering to the Community*, signified the need for sustaining economic growth to raise incomes and reduce poverty in the region. Thus, the agenda of the meeting was organised in accordance with the three themes:
  - Theme 1: Building Stronger Foundations,
  - Theme 2: Creating New Opportunities, and
  - Theme 3: Making APEC Matter More
3. Global and regional macroeconomic conditions have boosted the confidence for better prospects and economic outlook for the APEC region. However, economies should continue to reform and restructure in enhancing the sustainability of growth. The full realisation of the potential of economic growth depends on close cooperation between government and business, as well as among economies in harnessing vast opportunities presented by globalisation and APEC's commitment towards the open trading system. This potential for a huge increase in prosperity would require continuous efforts in strengthening the APEC cooperation agenda that would enable developing economies to participate more meaningfully in the globalised economy. In spite of the many achievements by APEC, much remains to be done. Against this backdrop of new opportunities and challenges, APEC Ministers met to discuss and advance regional economic cooperation for common prosperity in the APEC region.

#### ***Building Stronger Foundations***

4. Ministers reaffirmed their commitments to the Bogor goal of free and open trade and investment. After a decade of progress, Ministers considered that the years ahead offered APEC economies wide ranging opportunities for further growth that must be seized. However, there would be many challenges and APEC needed to explore more creative and efficient ways to prepare each of its members as they move towards the Bogor goal. APEC's shared goal of economic prosperity and social improvement would be made possible through building upon the solid foundations which APEC economies had laid over the last decade and through continued cooperation in building capacity. Such efforts would help economies realise their growth potential and transform that into higher living standards. It would also enhance APEC's ability to play a stronger leadership role in international fora and act as a force for growth in international markets.

#### **Trade and Investment Liberalisation and Facilitation (TILF)**

#### ***Individual Action Plans***

5. Ministers reaffirmed APEC's unique approach in advancing liberalisation and facilitation goals through the process of individual and collective actions.
6. Ministers commended the e-IAP initiative as an effective response to calls by business to make Individual Action Plans (IAPs) more transparent, specific and comprehensive. Ministers welcomed the work undertaken to improve the IAP mechanism through its transformation into an electronic medium to improve their usefulness and accessibility for the business community and policy makers. Ministers endorsed these landmark developments including the proposed 2000 IAP Format Guidelines for the new e-IAPs and concluded that the new format made the IAP system a more effective mechanism to reflect and encourage progress towards the Bogor Goals. Ministers expressed their appreciation for Microsoft Corporation's sponsorship of and contribution to the e-IAP system. This development together with the streamlining of the reporting requirements would enable the business community to plan with more certainty and benefit more quickly from the liberalisation, facilitation and deregulation processes which APEC economies were undertaking to improve the business environment. Ministers recognised that the e-IAP system could be further refined based on experience with using the system and requested officials to report its progress to the Ministers Responsible for Trade (MRT) Meeting in 2001.
7. Ministers were encouraged by the improvements in IAPs submitted by economies in 2000 and by the firm commitment demonstrated by economies to progressively and continuously improve their individual plans to reach Bogor goals. Ministers commended those economies that had made use of the new electronic format this year and agreed for all members to use the new e-IAP system for their 2001 IAP submissions.
8. Ministers reiterated their support for the on-going process of peer reviews by which economies demonstrate their commitments to further improve their individual plans and provided an additional opportunity for members to conduct close consultations on how this would be done. Guided by the Osaka Action Agenda (OAA) principles, Ministers endorsed a set of recommendations to improve the rigour and profile of the peer review process which called for regular, focused and manageable peer reviews without compromising their voluntary nature. Ministers commended China, Indonesia, Mexico, Peru, Singapore, Chinese Taipei and Thailand for submitting their IAPs for peer reviews this year and welcomed the offer from Canada and Russia to do so in 2001. Ministers also took note of the participation of business in some of these peer reviews and welcomed this invitation on a voluntary basis in the peer review process.
9. Ministers acknowledged the importance of strengthening the foundation of APEC and of forging closer relationships with business and the community at large in their effort to achieve economic growth and equitable development through trade and economic cooperation. They agreed it was imperative for APEC to continually build upon its successes and ensure that its work remained relevant in order to face the emerging global challenges and take up new opportunities in the coming century. Ministers reaffirmed the decision made at the MRT Meeting in Darwin to adopt a comprehensive approach in reviewing and building upon the OAA guidelines. Ministers acknowledged the initial work undertaken thus far and instructed officials to finalise the work, taking into account the views of ABAC, and submit their recommendations to the MRT Meeting in 2001.

*Collective Action Plans, including Early Voluntary Sectoral Liberalisation and Trade Facilitation*

10. Ministers approved and endorsed the annual report of the Committee on Trade and Investment (CTI) and its recommendations. They noted the enhancement of Collective Action Plans (CAPs) and considered that the increased transparency of trade and investment policies would provide greater certainty and predictability for the business community and would result in lower transaction costs for business. Ministers endorsed and highlighted some key outcomes in 2000 which include:
  - Expansion of the CAPs to intensify work on non-tariff measures (NTMs),
  - Principles and Features of Good Practice for Technical Regulations and Information Notes, and

- Broadening of the CAPs to include “paperless trading” for customs procedures; and
  - Completion of the APEC Policy Framework for work on services.
11. Ministers approved the priority areas proposed by the CTI for 2001 and called on officials to explore new ways of enhancing the effectiveness of the work programs. Ministers stressed the importance of working closely with the business community, including ABAC, in this process to ensure that APEC’s work remained dynamic and relevant.
  12. Taking into account the importance of ensuring stable investment flows into APEC region, Ministers welcomed Russia’s offer to host the Third Investment Mart and Seventh Investment Symposium in Vladivostok in 2002.

#### *Early Voluntary Sectoral Liberalisation*

13. Ministers noted the many activities under the EVSL initiative, including a wide- range of surveys and sectoral seminars/workshops to progress the work on non-tariff measures (NTMs), facilitation and ECOTECH. In particular, Ministers welcomed the consolidation of the NTMs work programme and tasked the CTI to further develop additional collective actions on NTMs by the next Ministerial Meeting. Ministers also called on the relevant APEC fora to consider appropriate ECOTECH programmes to assist in this process.
14. Ministers also welcomed progress made in 2000 in the APEC Auto Dialogue, and encouraged further such progress at the next Dialogue in Thailand. Ministers welcomed the initiative to establish a Chemical Dialogue comprising government and industry representatives. Such public-private sector dialogues were important for improving the mutual understanding of key imperatives for the development of future policy and for enhancing the competitiveness of the industry.

#### *Trade Facilitation*

15. Ministers reviewed recent APEC advances in improving trade and investment facilitation and agreed that this had immediate benefits for business and was taking APEC economies toward the goal of free and open trade and investment. Ministers noted the accomplishments in the work on the rapid exchange of information and increased transparency in testing and certification requirements in the region, APEC Business Travel Card, launch of the *BizAPEC.com* website, *APEC: Getting Results for Business* and the *2000 SCCP Blueprint: Meeting the Challenges of Modern Business Environment*. Ministers requested APEC fora to continue this work and explore new areas and ways of taking it forward because of the direct benefit it has in reducing transactions costs for business and consumers.
16. Ministers agreed that trade facilitation must remain a priority issue. They welcomed initial work on developing a set of non-binding principles on trade facilitation and instructed officials to complete this work and report it for the consideration of Ministers Responsible for Trade in June 2001. Ministers noted that the work on the non-binding principles on trade facilitation could also be a useful contribution to the WTO. Ministers recognised the outcome of an APEC Workshop on Trade Facilitation in the Asia-Pacific and instructed officials to consider Canada’s proposals on trade facilitation in the next year’s process.

#### *Strengthening the Multilateral Trading System*

17. Ministers expressed their firm commitment to open regionalism and strong support for the primacy of the multilateral trading system. They agreed that the system should respond to the needs of the globalised economy of the 21<sup>st</sup> Century and that trade liberalisation under WTO rules is a dynamic force for accelerating growth and development. Ministers also agreed that better communication of the importance of the WTO in fostering growth in the global economy would broaden support for further trade liberalisation.
18. Ministers reiterated their commitment to building the capacity of developing economies to implement WTO agreements and to more fully participate in the multilateral trading system.

They endorsed the strategic APEC plan as a basis for concerted action to enhance capacity for full participation in the WTO and agreed on the importance of implementation as early as possible. They welcomed the fact that this strategic plan was tailored to offer specific programmes to respond to individual needs. They also decided that both developed and developing members would prioritize as appropriate the plan in the developmental programmes, and that priority should be given in allocating the APEC TILF fund to finance possible programmes in accordance with the established TILF approval process. Ministers also decided that members would pursue collaboration with relevant international organizations such as the World Bank and the Asian Development Bank in implementing this plan.

19. Ministers reaffirmed their strong commitment to the launch of a new round of multilateral trade negotiations at the earliest opportunity. They agreed that the successful and expeditious launch of a new round requires an agenda that is balanced and sufficiently broad-based to respond to the interests and concerns of all WTO members. With this in mind, they called on delegations in Geneva to agree on an agenda in 2001 and urged all WTO members to muster the political will and exercise flexibility. Ministers also commended the confidence-building measures adopted in the WTO, including those on market access for least-developed countries and those addressing concerns over aspects of the implementation of WTO agreements. They committed to seriously address all issues relating to implementation.
20. Ministers reaffirmed that the concerns of developing economies should be addressed through enhanced attention to the effective implementation of special and differential treatment and ongoing support for capacity building and technical assistance, so as to facilitate their ability to participate fully in the WTO.
21. Ministers welcomed the commencement in Geneva of the mandated negotiations on agriculture and services. Acknowledging the agreement reached by Ministers in Auckland last year concerning the negotiations on agriculture and services, they encouraged meaningful progress in these areas.
22. Ministers noted APEC's expertise in the areas of services and supported efforts to use that expertise to add impetus to the negotiations. They agreed on the importance to business of continuing to advance trade facilitation measures, including through the work of WTO services bodies. Ministers also recognized the contribution economic and technical cooperation could make to the WTO services negotiations.
23. Ministers urged all WTO members to contribute positively to the WTO preparatory work on industrial tariffs and other related areas, as part of the preparation for a new round, without prejudice to the overall agenda for negotiations.
24. Ministers reaffirmed their commitment to the APEC-wide moratorium on the imposition of customs duties on electronic transmissions until the next WTO Ministerial Conference. They acknowledged the importance of avoiding unnecessary measures restricting the use and development of electronic commerce and called for the establishment of an *ad hoc* analytical taskforce in the WTO that would examine how WTO rules are relevant to the evolution of electronic commerce.
25. Ministers noted the outcomes of the seminar that has been held in Peru to aid mutual understanding of investment and competition policy and welcomed the seminar to be held in the Philippines in November. They also noted APEC's existing analytical work on these issues.
26. Ministers also welcomed the offer by China to host a seminar on the implementation of TRIMS in September 2001.
27. Ministers welcomed the substantial progress that had been made in the WTO accession negotiations for China and urged the rapid completion of its accession negotiations. They also reiterated support for rapid accession to the WTO by Chinese Taipei and the advancement of

the accession processes for Russia and Vietnam. Ministers supported an agreement that all acceding economies will participate in some capacity in a new round of WTO negotiations.

28. Ministers noted the progress that has been made in compiling a database on existing sub-regional trade agreements and bilateral investment treaties.
29. Ministers agreed that sub-regional and bilateral trade agreements should serve as building blocks for multilateral liberalisation in the WTO. They considered it essential that the existing and emerging sub-regional and bilateral trade agreements be consistent with WTO rules and disciplines. They believed that these agreements should be in line with APEC architecture and supportive of APEC goals and principles.

#### *Open Economies Delivering to People: APEC's Decade of Progress*

30. Ministers endorsed the report *Open Economies Delivering to People: APEC's Decade of Progress* prepared by Australia for the APEC Economic Leaders Meeting. The report concluded that by adopting open economic policies, combined with measures to improve international competitiveness and strengthen economic governance, APEC economies had achieved not only strong economic growth, but also substantial improvements in the lives of the people of the region. Ministers took particular note of the substantial inroads in alleviating poverty and creating large number of jobs during the past decade of open economic policies in the APEC region. Ministers also acknowledged that managing economic change required structural adjustment strategies including, where appropriate, the development of social safety nets.
31. Ministers concluded that the continued pursuit of open economic policies was essential to meet the aspirations of the people of the region and that APEC was well placed to help its members pursue open economic policies. Ministers therefore instructed officials to intensify work in relevant fora to assist economies pursue open economic policies, including with respect to institutional capacity-building and adopting strategies to manage change.

#### *Strengthening the Functioning of Markets*

32. Ministers welcomed the significant contribution that APEC was making towards strengthening the functioning of markets in the region. They recognised that strong markets were a necessary complement to trade and investment liberalisation and facilitation in the pursuit of sustained economic growth. They also noted that the advent of the new economy had only served to underscore the importance of efficient, competitive and dynamic markets.
33. Ministers commended the progress report on the *APEC Road Map on Strengthening Markets*. The report was able to bring into focus APEC's substantial collective and individual efforts in addressing important market fundamentals. Further to these efforts and the elements of the *Road Map* that were identified in Auckland, Ministers endorsed:
  - the *Cooperative Initiative on Regulatory Reform* being organised jointly with the OECD and aimed at building the capacities of economies to implement the *APEC Principles to Enhance Competition and Regulatory Reform*.
  - the *Cooperation Framework for Strengthening Economic Legal Infrastructure*, which will initially focus on the areas of corporate law, competition policy as well as capacity and institutional building to develop good regulatory systems. The *APEC Symposium on Strengthening Economic Legal Infrastructure* held in Jakarta in July 2000 and co-organised by Indonesia, Japan and Australia provided the genesis for the Framework.
  - the *Cooperation Program* in the area of *SME and New Business Support* based on the Evolving Cooperation Initiative, following two workshops held in Tokyo and Taipei in September 2000.
  - the proposal to invite the Pacific Economic Cooperation Council (PECC) to develop ideas which APEC may consider furthering its work on improving economic and corporate

governance in the region. In doing so Ministers commended the progress in the APEC Finance Ministers' *Initiative on Corporate Governance* and noted that future proposals should take into account the ongoing work in that forum.

34. Ministers also commended the progress APEC had made in implementing specific elements of the Road Map. Of particular note were the efforts being made to develop seamless and safe transportation systems, which were of importance for trade and the provision of basic services in the region. As such, Ministers welcomed the progress in implementing the recommendations for more competitive air services on a voluntary basis, including the proposals on widening and deepening the measures within APEC as well as a plurilateral arrangement among five like-minded economies to liberalise air services. Other initiatives included the seminar on *Strengthening Human Resources Development for Structural Reform* held in September 2000, hosted jointly by Japan and Brunei Darussalam on the issue of *Aligning Human Resources Development with Advancing Industrial Structure* and the *APEC Workshop on Public Sector Management*, organised by New Zealand and held in Singapore in May 2000, which provided a useful forum to exchange views and experiences on improving public sector effectiveness.
35. Ministers noted that increasingly APEC's work on strengthening markets needs to address the challenges of building relevant market infrastructure and institutions as well as strengthening human capacity. Ministers therefore instructed officials to report further progress on the Road Map in 2001, concentrating on these challenges and taking into account the new initiatives and proposals.

#### Economic and ECOTECH issues

##### *SOM Sub-Committee on Economic and Technical Cooperation (ESC)*

36. Ministers endorsed the SOM report on ECOTECH and its recommendations and conclusions. In advancing the APEC ECOTECH Agenda, Ministers stressed that ECOTECH projects should be more focused and properly prioritised. Ministers instructed the ESC in 2001 to develop further the Joint Activities/Dialogue sections of the OAA guidelines, building upon the review of the implementation of such guidelines. In re-affirming the importance of ECOTECH in achieving the Bogor Goals, Ministers called for a more focused and intensified action agenda. In this regard, Ministers instructed officials to consider the possibility of establishing IAPs on ECOTECH.
37. Recognising the need to improve project coordination, Ministers welcomed the establishment of the *ECOTECH Clearing House* and endorsed the revision to the *ECOTECH Weighting Matrix*. Ministers encouraged APEC fora to use the Clearing House electronic notice board facility to coordinate ECOTECH projects. Ministers also called for widening the participation in the ECOTECH projects and emphasised that the ESC should assume a more important role in APEC. In this regard, they instructed officials and APEC fora to communicate and publicise the benefits that APEC projects have brought to the quality of life of the people in the region, citing the publication on *Making APEC Matter More to People Through ECOTECH* as an example.
38. Ministers welcomed a report on the Regional Integration for Sustainable Economies (RISE), and committed to seek greater private sector involvement, as it would continue in China and Indonesia, and expand to cities in other economies.
39. Ministers welcomed the efforts to revitalise the *APEC Education Foundation* and urged economies to participate actively in the Foundation.

##### *Economic Committee (EC)*

40. Ministers endorsed the *Economic Committee's Report to Ministers for 2000* and noted the outcomes from the symposia organised by the EC for its research projects. They also welcomed the EC's report on the *Impacts of Higher Oil Prices on APEC Economies* and

instructed the EC to continue to study this issue and to include the findings in the *2001 APEC Economic Outlook*.

41. Ministers endorsed the *2000 APEC Economic Outlook*. The report confirmed that the Asian crisis has been contained and that economic recovery was more prevalent in the APEC region. Ministers also endorsed the *APEC Economies beyond the Asian Crisis* report, which highlighted the major challenges of the new economy. Ministers further endorsed the *Towards Knowledge-Based Economies in APEC* report and its recommendations to establish a *Knowledge Clearing House*, to produce a menu of *Igniting Policies* for triggering the transition to KBE, and to include *KBE Status Indicators* in the *APEC Economic Outlook*. Ministers instructed the EC to identify recommendations that can be implemented through collective action and develop detailed plans of implementation in cooperation with APEC Secretariat and report to Ministers in their next meeting.

#### *New Initiative on Human Capacity Building*

42. The emergence of the new economy has created a new dimension for human capacity building. In this regard, Ministers reaffirmed the importance of human capacity building and instructed senior officials to prepare a human capacity building strategy that would define the objectives, priorities and principles for APEC to respond to the challenges of the new environment.
43. To support this process Ministers agreed that a special coordinating group of HRD representatives led by the ESC be established to share information towards improving the coordination and efficacy of APEC's human capacity building efforts as recommended by SOM. In particular, Ministers endorsed the recommendation to improve the reporting and public outreach of APEC's efforts in human capacity building by tasking the Coordinating Group to prepare annually a report on Human Capacity Building to Leaders and Ministers. Ministers welcome Brunei's offer to provide assistance for the publication of the first annual report.
44. Ministers acknowledge the significance of accelerating the adoption of information and communication technology (ICT) across the APEC fora in order to take advantage of the new opportunities and contributions it brings to delivery of education and training as well as in other aspects of capacity building. The work on human capacity building in the APEC region can be strengthened and be made more effective through the development of mechanisms to enhance partnerships among all stakeholders including business and workers. In this regard, Ministers encouraged APEC working groups to engage relevant non-government representatives and instructed officials to seek appropriate ways to engage them. Ministers welcomed the efforts by Brunei Darussalam and China to advance this initiative.

#### *APEC Forum on Shared Prosperity and Harmony*

45. Ministers welcomed the successful hosting of the *APEC Forum on Shared Prosperity and Harmony* held in Korea in 31 March – 1 April 2000. Among others, the Forum discussed measures to avoid recurrence of economic crisis and to bridge the economic and social disparity among economies. Ministers also welcomed the initiatives arising from the Forum and instructed officials and relevant fora to review them for implementation, as appropriate.

#### *Sectoral Ministerial Meetings*

46. Ministers welcomed the outcomes from the 2<sup>nd</sup> APEC Education Ministers Meeting (AEM) held in Singapore in April 2000. They agreed that economies should consider the key strategies recommended by the AEM in the development of education systems. Namely, the strategies identified were: (a) importance of IT as a core competency for learning and teaching in the future, (b) enhancement of the quality of teaching and teacher development, (c) cultivation of sound education management and exchanges in education within APEC, and (d) to promote a culture of active engagement among APEC economies in education to forge deeper understanding within the Asia-Pacific community and energise and enrich their continuing efforts for improving education at local and regional levels. Ministers instructed

officials to develop an overall workplan in these strategic areas and that the Education Network of the HRDWG would coordinate implementation of the workplan. Ministers noted the decision of the AEM to meet once in every five years. Ministers also noted the progress on the initiative by Australia and New Zealand to identify measures affecting trade and investment in education services in the Asia Pacific region, and instructed officials to finalise the initiative this year including identifying potential areas for cooperation and to report to the MRT Meeting in 2001.

47. Ministers welcomed the outcomes from the Meeting of Ministers of Telecommunication and Information Industry (TELMIN) held in Cancun, Mexico in May 2000, in particular the adoption of the *Cancun Declaration*. Ministers noted the commitments on advancing the Asia Pacific Information Infrastructure (APII), Asia Pacific Information Society (APIS) and on implementation of the Reference Framework for Action in E-Commerce. Ministers also noted the role of TELMIN in promoting pro-competitive environment and cooperation with the business sector in broad areas.
48. Ministers acknowledged that SMEs were important for sustaining economic recovery and that APEC should respond to their needs in supporting the foundations for growth and creating new opportunities. They welcomed the outcomes from the SME Ministers Meeting held in Bandar Seri Begawan, Brunei Darussalam in June 2000 and encouraged APEC fora to advance the interests of SMEs in the areas of HRD, ICT, financing, and strategic alliances. In this context, Ministers instructed officials and relevant fora to develop work programme in these specified areas, and joint with private sector in enhancing SMEs development. Ministers encouraged economies to consider opening up some of their domestic training programmes to participants from APEC economies on a voluntary basis and to include a list of trainers that are available for conducting training across the APEC region. Ministers acknowledged the New Business Partnership Initiative that facilitates commercial linkages between American SMEs and qualified business partners from interested APEC economies, and requested the US further develop the programme during 2001 and report to the SME Ministerial in Shanghai.
49. Ministers noted the outcomes from the first Tourism Ministerial Meeting in Seoul in July 2000 including the adoption of the *Seoul Declaration on APEC Tourism Charter*. In this respect, Ministers instructed officials to develop collective commitment for promoting tourism in the APEC region and report progress in 2001. Ministers also welcomed the deliverables on *Environmentally Sustainable Tourism, Establishment of a Tourism Information Network, and Tourism Satellite Account*, and instructed the Tourism Working Group to take actions to implement them.
50. Ministers welcomed the message from APEC Energy Ministers in the *Declaration* from their San Diego meeting on the central importance of energy to sustainable development and welcomed their commitment to a new implementation strategy. Ministers also noted the risks posed by oil market volatility to economic development and called for appropriate measures to promote greater long-term market stability in the mutual interests of consumers and producers. In this regard Ministers welcomed efforts by member economies this year to balance oil markets.
51. Ministers noted the report of the Senior Officials and in view of the importance of strengthening energy security in member economies, including achieving greater equilibrium between supply and demand, directed the Energy Working Group to continue its programs to improve the functioning of energy markets; energy efficiency and conservation; diversification of energy resources; renewable energy development and deployment; and explore the potential for alternative transport fuels, to alleviate pressure on the oil market. Ministers also noted the new initiative to develop and share information, on a voluntary basis, on the role that stocks could play as an option to respond to oil market disruptions.
52. In ensuring overall effectiveness of the APEC process, Ministers requested officials to undertake a review on the implementation of initiatives that were endorsed in APEC Sectoral Ministerial Meetings.

### **Creating New Opportunities**

53. The revolution in ICT has transformed the ways of doing business in the region. This new economy presents both developed and developing APEC economies with many new and exciting opportunities for increasing economic growth. APEC has an important and expanding role as a catalyst for the necessary policy frameworks that would enable all APEC economies to maximize the potential benefits of these new opportunities.

### **New Economy**

54. The world economy is experiencing a trade and technological revolution with rapid growth in the Internet, thriving e-commerce and many other changes that are transforming the way business and trade is conducted. The efficiencies from the ICT revolution present many opportunities for both developed and developing economies to achieve higher growth and realise better standards of living without igniting inflation. However, as discussed in the two EC's reports, *Towards Knowledge-Based Economies in APEC* and *APEC Economies beyond the Asian Crisis*, to fulfill much of these potential benefits would require an appropriate policy framework that encourages: strengthening the functioning of markets; openness to trade and investment; innovation and new enterprises; sound macroeconomic policy; education and lifelong learning; and the enabling role of information and telecommunications infrastructure. Ministers recognised the importance to the new economy of innovation in the software industry. In this context, they agreed that APEC should promote strong asset management practices to ensure legal and proper use of software and other IP assets by users. Ministers also requested officials to examine ways to enhance interaction among IT professionals, using existing APEC fora.
55. Ministers acknowledged that a digital divide could further widen social and economic disparities across the APEC region, and underlined the importance of ensuring that everyone in the APEC region has access to the opportunities presented by ICT networks. Ministers therefore called for improvement in access to affordable technology. The new economy is primarily driven by the business sector, therefore APEC needs to strengthen its relationship with the business community in ensuring that APEC's work remains relevant. In this regard, Ministers called for a public-private partnership to create digital opportunities and spread the benefits of the new economy throughout all segments of society. Ministers reaffirmed the vital linkages between education and maximisation of the potential of the new economy, stressing that as the region moves ahead no person should be left behind. As part of the efforts to reduce the digital divide, Ministers also reaffirmed the importance for all children in the region to have access to basic education.
56. Ministers welcomed the conclusions reached at the two APEC symposia on venture capital, which were the follow-ups of the endorsed proposal on *Economic Revitalisation through Start-Up Companies and Venture Capital*, held in Chinese Taipei this year and encouraged further work in this area. Ministers instructed officials to coordinate and package the various APEC initiatives that concerned with the new economy for the benefit of synergy. The following initiatives were endorsed by Ministers:
- the US proposal on *Readiness Evaluation Action Partnership*,
  - Chinese Taipei's proposal on *Transforming the Digital Divide into a Digital Opportunity*, of which the phase I will be implemented in 2001
  - Viet Nam's proposal to develop an *APEC Guide to Enact Legal Framework for Electronic Commerce*,
  - Korea's proposal on *Cyber Education Cooperation*,
  - Brunei's proposal on *Human Capacity Building in APEC- Meeting the needs of the 21<sup>st</sup> Century*.
  - Singapore's proposal on *Use of Information Technology in a Learning Society*,
  - Malaysia's proposal on a *Network of Skills Development Centers*, and
  - the EC's project on KBE.

### **Electronic Commerce (e-commerce)**

57. E-Commerce is an important element for creating new opportunities that would benefit the communities in the APEC region. In welcoming the ongoing work on e-Commerce, Ministers emphasized the need to make progress in various other aspects such as capacity building, consumer protection, network security, favourable and compatible legal framework, and in the role of e-commerce in trade facilitation to gain full benefit from e-commerce.
58. In pursuing capacity building and helping SMEs to adopt e-commerce, Ministers endorsed a proposal on *APEC-Wide Action Plan to Support Use of Electronic Commerce by SMEs*. They also endorsed a symposium on *APEC High-level Symposium on E-Commerce and Paperless Trading* by China and Australia. Ministers commended the progress made in the *APEC E-Commerce Readiness Initiative* and acknowledged that 20 economies are participating in the initiative using the *APEC Electronic Commerce Readiness Guide*. Ministers encouraged all economies to make use of the results of Readiness Assessments to guide future policies and plan further work to enhance e-commerce readiness in their respective economies. Ministers also commended the efforts by the PECC in bringing together all interested parties to develop a comprehensive approach for training and education needs in e-commerce.
59. Recognizing the need to improve consumers' trust and confidence in e-commerce, Ministers endorsed a work programme leading to favourable as well as compatible legal and regulatory frameworks for consumer protection, electronic transactions documents and signatures across APEC. In this regard, Ministers welcomed work on legal framework for e-commerce and further workshops on e-government, authentication and network security, and current business models.
60. As e-commerce is becoming a mainstream activity across many sub-fora, Ministers urged the need for better coordination and collaboration. In this regard, Ministers instructed officials to work together with the Secretariat in updating the inventory on e-commerce activities and consider widening the scope of APEC's e-commerce work programme taking into account the relevant recommendations by the Electronic Commerce Steering Group (ECSG). Ministers also urged economies to promote participation of private sector in establishing interconnection and interoperability among the existing Electronic-Data-Interchange (EDI) systems respectively in each economy.

### ***Making APEC Matter More***

61. Ministers welcomed the efforts in 2000 to provide focus on the tangible benefits that were accruing to the people of the region. Through the overall theme, *Delivering to the Community*, APEC has ensured that its work program is more relevant and meaningful to its stakeholders.

### ***Interaction with the Community***

#### ***APEC Public Outreach/Communicating the Benefits of Trade Liberalisation***

62. Communicating the role of APEC and the benefits of trade liberalisation remains a key collective and individual task. Conscious of wider public interest in the work of APEC, Ministers also endorsed the establishment of an Ad-Hoc Study Group of Officials on APEC Interaction to consider how best to benefit from the interests, expertise and insight of our communities and requested Brunei Darussalam to lead the group. Recognising the importance of outreach activities, Ministers also noted the SOM's recommendations to Ministers for APEC to develop effective communication and outreach strategy with the assistance of an independent expert.
63. Recognising that close liaison with the private sector and other groups remains an important tool for achieving outcomes that are meaningful to our communities, particularly to business, Ministers instructed officials to enhance interaction of APEC with the business community and other relevant stakeholders, where appropriate, as exemplified by the hosting of the *SME Business Forum* and *E-Trade Fair* parallel to the SME Ministerial in Bandar Seri Begawan.

64. In view of the vast potential of E-commerce to promote and facilitate trade in the APEC region, Ministers welcomed and commended the development of the *bizAPEC.com* website, under the initiative of the *Improved APEC Internet Services for Business* and instructed officials and economies to publicise, maintain and update the website.

#### Dialogue with APEC Business Advisory Council (ABAC)

65. Ministers welcomed the ABAC Report to Leaders, *Facing Globalisation the APEC Way*, and its two major themes stressing the need to stay on track with the Trade and Investment Liberalisation and Facilitation agenda and the importance to be placed on giving substance to capacity building. Ministers also noted ABAC's emphasis on building stronger financial systems at the regional as well as national levels and agreed on the importance of sectoral government-business dialogue, as exemplified by the APEC Automotive Dialogue and the newly launched Chemical Dialogue. Ministers welcomed ABAC's overall emphasis on outreach. Ministers appreciated ABAC's continued support and encouragement, and instructed officials to review the implementation of ABAC's recommendations including the submissions this year.

#### Social Impact of the Crisis

66. Ministers reiterated the importance of supporting the poor and vulnerable segments of the communities that were affected by the crisis and by the process of economic restructuring. In this respect, Ministers endorsed a proposal on the *Revitalisation of Social Safety Net Activities in APEC* by Korea and Thailand. They also agreed to establish an Ad-hoc Task Force on Strengthening APEC Social Safety Net for reviewing APEC's activities on social safety and forward recommendations to Ministers in 2001.
67. Ministers noted the further work by various APEC fora to strengthen social safety nets and to reduce the adverse impacts of the Asian crisis. This includes the establishment of the Australian-Thailand *Social Protection Facility* that focuses on providing capacity building assistance for the development of social policy and programme delivery. Ministers also noted the successful hosting of the *Third Regional Forum on Pension Fund Reform* held in Thailand in March 2000. The forum deliberated on the integration of social security, pension and provident funds as well as supervisory and regulatory matters. Ministers also welcomed the synthesis, submitted by Canada, of the report *The Poor at Risk's Economic Crisis in Southeast Asia*.

#### Framework for Integration of Women

68. Ministers also recognised the significant contribution of women to economic development in the APEC region, particularly in the SME sector and endorsed the first SOM report on *Implementation of Framework for the Integration of Women in APEC* noting the significant progress in the implementation of the Framework. Ministers commended the *Gender Information Sessions* held in several APEC fora and instructed other APEC fora that have not held a Session to request one. In view of the fact that further work was needed to enhance women's participation in the APEC process, Ministers tasked APEC fora and encouraged economies to fully implement all the recommendations of the SOM and more broadly to implement the *Framework*.

#### Youth

69. Ministers recognised the importance of youth as stakeholders in APEC and encouraged further promotion of their involvement by networking and strengthening their relationship through APEC activities. Ministers noted the *Bangkok APEC Youth Statement*, a key outcome from the forum *APEC Youth Networking: Youth Preparation for the APEC Society in the Next Millennium*, held in Bangkok in July 2000. Ministers noted the outcomes of the *APEC Conference on Eliminating the Worst Forms of Child Labor and Providing Educational Opportunities for Youth* held in Bangkok in October 2000, which included the recognition that child labour limited access to basic education. Ministers also noted the success of the 2<sup>nd</sup>

*APEC Youth Science Festival* and welcomed the *APEC Youth Festival* that would be held in China in mid 2001. Ministers welcomed the successful hosting of the First APEC Youth Skills Camp in September 2000 in Ulsan, Korea. They also welcomed the *Town Hall Session with APEC Young Entrepreneurs*, held in Bandar Seri Begawan in June 2000 and a similar *Session* that would be held during the Leaders' Meeting in November. Ministers further welcomed the first *APEC Young Artists' Exhibition* that would be held during the APEC Business Summit and Canada's initiative to develop the *APEC Site for Kids - A Youth Outreach Initiative*.

#### APEC Food System (AFS)

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

#### Biotechnology

71. In recognition of the huge potential of biotechnology to contribute to food security through increased production, and to the development of sustainable farming practices, Ministers stressed the continuing importance of transparent and science-based approaches to risk assessments and risk management in the introduction and use of biotechnology products. Ministers recognised the importance of safe introduction and use of biotechnology products, and agreed that the development and application of biotechnology should take into consideration WTO rules, as well as consumers' interests in food safety and environmental quality. Ministers instructed the Agricultural Technical Cooperation Experts Group (ATCEG) to implement further technical cooperation programmes in biotechnology, including capacity building and exchange of information and to report on progress at the MRT Meeting in 2001. Ministers also encouraged close cooperation with other international fora and voluntary bodies, as appropriate, to enhance consumers' awareness on the benefits and risks of biotechnology products to facilitate the realisation of the potential benefits of this technology.

#### Other Issues

##### Management Issues

##### *Management Review*

72. Ministers endorsed the SOM Chair's Report on the Review of APEC's Management Process and all its recommendations, particularly the *Criteria for the Establishment of New APEC Fora*, the *Mechanism for Delivering for Developing Greater Links Among APEC Fora* and their work programmes. Ministers also noted the achievement of the 3-year management review process, led by Brunei Darussalam, New Zealand and Malaysia, including implementation of measures endorsed during the process. Ministers also noted the conclusion of the three-year management review process. They further noted the SOM's decisions to improve the management process and requested the SOM to continue streamlining APEC process on an ongoing basis.
73. Ministers noted the renaming of the Infrastructure Workshop (IWS) as Group on Economic Infrastructure (GEI). They also agreed to rename the ATCEG as Agricultural Technical Cooperation Working Group (ATCWG), and the PLGSME as Small & Medium Enterprises Working Group (SMEWG).

##### *2001 Budget*

74. Ministers endorsed the SOM Chair's Report on Budget Issues and approved the 2001 budget of US\$7,661,920 and contribution of US\$ 3,338,000 from member economies to the APEC Central Fund.
75. Ministers delegated authority to the Budget and Management Committee (BMC) to approve for immediate implementation of, but subject to satisfying the usual criteria and bearing in mind the need to maintain long-term budget sustainability, urgent projects that have not been submitted to Ministers/Officials for inclusion in the annual operational budget, and to make use of the uncommitted reserves accrued after June/July for urgent projects under the Operational Account.

*APEC Secretariat*

76. Ministers endorsed the report of the Executive Director of the APEC Secretariat and welcomed the Secretariat's offer to work with the BMC on the APEC budget cycle, and appreciated the work and assistance of the Executive Director, Ambassador Serbini Ali and his staff.

Statement by Observers

77. Ministers noted the statements by the ASEAN Secretariat, PECC and Pacific Island Forum.

APEC 2001

78. Ministers thanked China for the briefing on preparations for the 13<sup>th</sup> APEC Ministerial Meeting and the Ninth APEC Economic Leaders Meeting in China on October 2001.

Future Meetings

79. Ministers thanked Mexico for the update on preparations for the 14<sup>th</sup> Ministerial Meeting in 2002. Thailand will host the Ministerial Meeting in 2003, to be followed by Chile in 2004 and Korea in 2005.