

**THE EIGHTEENTH APEC MINISTERIAL MEETING
HA NOI, VIET NAM
15-16 November 2006**

JOINT STATEMENT

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; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam gathered in Ha Noi, Viet Nam on 15-16 November 2006 to participate in the Eighteenth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting (AMM-18). The APEC Secretariat was also present. The Association of Southeast Asian Nations (ASEAN) Secretariat, the Pacific Economic Cooperation Council (PECC) and the Pacific Islands Forum (PIF) attended as official observers. The APEC Business Advisory Council (ABAC) attended as full participant.

The Meeting was co-chaired by H.E. Pham Gia Khiem, Deputy Prime Minister and Minister of Foreign Affairs, and H.E. Truong Dinh Tuyen, Minister of Trade, Viet Nam.

Ministers discussed issues under the theme of APEC Viet Nam 2006 "Towards a Dynamic Community for Sustainable Development and Prosperity." Ministers reaffirmed their support for the multilateral trading system and commitment to achieving the Bogor Goals of free and open trade and investment by 2010/2020. They stressed the need for greater economic and technical cooperation, and enhanced human security for the prosperity of the people. In this spirit, Ministers pledged to strengthen concerted efforts to reduce economic and social disparities in the APEC region and achieve sustainable development, and undertook to work towards a harmonious and dynamic Asia-Pacific community for the well being of the people of the region.

Ministers reviewed the key achievements of APEC 2006 hosted by Viet Nam and agreed upon initiatives to be undertaken during the APEC 2007 year, to be hosted by Australia.

Ministers agreed to the following:

I. STRENGTHENING THE MULTILATERAL TRADING SYSTEM

1. APEC's Contribution to the World Trade Organization (WTO) Doha Development Agenda (DDA) negotiations

Ministers reaffirmed their longstanding commitment to strengthen the multilateral trading system and agreed to explore every avenue to achieve the necessary breakthroughs at the earliest opportunity and to put the Doha work on a path towards an ambitious and balanced outcome.

Ministers reaffirmed that these efforts shall be based on the Doha Declaration, the Framework Agreement and the Hong Kong Declaration and reflect effectively the development dimension in all negotiating areas.

Ministers recommended APEC Economic Leaders to issue a Stand-alone Statement on the

DDA reaffirming APEC resolve in resuming the negotiation process without further delay.

2. WTO Capacity Building

Ministers emphasized the high importance of WTO capacity building activities by APEC as a tool to enable developing member economies to accede to and fully participate in WTO negotiations, so as to enjoy the full benefits of WTO membership and the potential of trade towards social and economic development.

Ministers welcomed the review of APEC's past WTO capacity building projects and discussion to revitalize activities towards more efficient and effective approaches in this area. Ministers noted with satisfaction APEC initiatives in WTO Capacity building, including: APEC Workshop on WTO Rules Negotiation in Services held in Kunming, China in June 2006; a planning of a five-day training program, supported by Canada on the WTO negotiation process for APEC member government officials to be held in the first calendar quarter of 2007.

Ministers welcomed the significant contributions of this process to the Aid for Trade initiative in the WTO and agreed to further pursue the "Aid for Trade" initiative in WTO as well as duty-free and quota-free access for the products from LDC in line with the WTO Hong Kong Ministerial Declaration. Ministers instructed Senior Officials to continue to implement capacity building activities across the full range of areas included in DDA negotiations and during the implementation of WTO's obligations.

Ministers noted the Global One Village One Product initiative (OVOP) which is intended to assist developing economies, in line with the "Aid for Trade" approach, to participate further in the multilateral free trade system by enhancing their capacity to identify and develop potential products for export. Ministers welcomed the APEC OVOP seminar held in Ha Noi in September 2006 where members shared their experiences in the area and discussed measures which could contribute to improving the competitiveness of SMEs.

3. Accession of APEC members to the WTO

Ministers congratulated Viet Nam for its successful completion of the proceedings for accession to the WTO. Ministers noted that the entry of Viet Nam into the WTO family, while being a milestone in Viet Nam's reform process, would also signify the commitment of the APEC region in furthering the course of trade liberalization in the multilateral trading system.

Ministers also welcomed the considerable progress of the Russian Federation in the WTO accession and underlined the importance of efforts to expedite conclusion of these negotiations for Russia's early accession.

4. APEC Geneva Caucus

Ministers commended the work undertaken by the APEC Geneva Caucus to advance the DDA negotiations and noted with satisfaction greater interaction between the APEC Caucus in Geneva and the SOM process aimed at maximizing APEC's contributions to the DDA negotiations. Ministers instructed SOM to continue working closely with the Caucus in 2007 to advance the APEC work related to WTO and the DDA negotiation.

II. THE HA NOI ACTION PLAN TO IMPLEMENT THE BUSAN ROADMAP

Ministers reaffirmed APEC's commitment to achieve the Bogor Goals in 2010/2020 and recognized that the Bogor Goals remain important for APEC in today's fast changing trade and investment environment. In furtherance of the progress towards the Bogor Goals, Ministers endorsed the Ha Noi Action Plan to implement the Busan Roadmap, which was agreed in 2005 to accelerate progress towards the Bogor Goals.

The Ha Noi Action Plan will help translate the Busan Roadmap into reality by elaborating concrete actions that APEC member economies should take by specific timelines in five key areas, including: support for the multilateral trading system, strengthening IAPs/CAPs, promotion of high-quality RTAs/FTAs, the Busan Business agenda and ECOTECH.

Ministers stressed the importance of capacity building activities in the Action Plan and would like to see these actions implemented effectively to assist developing member economies to fully realize their commitments and reap the benefit from trade and investment liberalization and facilitation and behind-the-border reforms.

Ministers emphasized the importance of steadily implementing the activities outlined in the action plan. Ministers encouraged economies to collaborate with ABAC and International Financial Institutions (IFIs) in the implementation and review of the activities under the Action Plan.

Ministers agreed to submit the Action Plan to Leaders for adoption.

III. REGIONAL TRADE ARRANGEMENTS AND FREE TRADE AGREEMENTS (RTAs/FTAs)

Ministers reaffirmed that high quality, transparency, broad consistency, and comprehensiveness in FTAs are important avenues to achieving the Bogor Goals of free and open trade and investment in the region and were pleased with progress in the development of the APEC model measures for RTAs/FTAs chapters. Ministers agreed on a set of 6 model measures for commonly accepted chapters of FTAs in 2006. Ministers instructed Senior Officials to continue work on model measures in 2007 so that model measures for as many commonly accepted RTAs/FTAs chapters as possible can be developed by 2008. Ministers reaffirmed that the model measures would serve as a reference for APEC member economies to help them achieve comprehensive and high-quality free-trade agreements and reiterated the non-binding and voluntary nature of the model measures, bearing in mind that they will not prejudice the positions of APEC members in their existing and future RTA/FTA negotiations.

Ministers agreed that APEC should continue to play a constructive role in this area by exchanging information and experiences on APEC member economies' RTAs/FTAs with a view to encouraging high quality, consistency and coherence among them. In this regard, Ministers took note of the successful outcomes of 4th SOM Trade Policy Dialogue on RTAs/FTAs, held in Ho Chi Minh City in May, which explored a range of issues of particular concerns to the business community. The Committee on Trade and Investment (CTI) Trade Policy Dialogue held in September in Da Nang examined common features of FTAs in the Asia-Pacific region, again with a strong business perspective. Ministers took note of ABAC's offer to share the results of its analysis and "catalogue of RTAs/FTAs in the APEC Region" with respect to the Best Practices. Ministers also noted the APEC workshop on Best Practices in Trade Policy for RTAs/FTAs, held in Ho Chi Minh City in May, and the capacity-building workshops on negotiating FTAs, held in Jakarta in 2005 and Kuala Lumpur in January 2006

with funding from Australia. Ministers also welcomed two symposia held in March and September in Japan, respectively “Catalytic Role of the APEC Process: Behind the Border, Beyond the Bogor Goal” and “Impact of Regional Economic Integration in East Asia on APEC Trade Liberalization”. These reiterated the significant role of APEC in supporting the multilateral trading system and mechanisms for regional integration such as RTAs/FTAs in the Asia-Pacific region.

Ministers welcomed ABAC and PECC joint study on the feasibility of a Free Trade Area of the Asia-Pacific (FTAAP) which offers valuable insights on emerging issues in regard to RTAs/FTAs and the larger issue of regional economic integration.

Ministers took note of CTI’s work progress in providing capacity building on RTAs/FTAs.

IV. TRADE AND INVESTMENT LIBERALISATION AND FACILITATION

Ministers reiterated the importance of TILF (Trade and Investment Liberalization and Facilitation) activities in paving the way towards the Bogor Goals, and appreciated Japan’s continuous contribution to the TILF fund. Ministers commended and endorsed the 2006 Committee on Trade and Investment Annual Report to Ministers on APEC’s Trade and Investment Liberalization and Facilitation activities, including the Collective Action Plans developed by CTI sub-fora.

1. Individual Action Plans (IAPs) and Collective Action Plans (CAPs)

Ministers reaffirmed the importance of member economies’ continued commitment to trade and investment liberalization and facilitation and welcomed the new progress by member economies in their 2006 IAPs.

Ministers noted the preparations to launch the second round of enhanced IAP Peer Reviews in 2007 and welcomed efforts to enhance the peer review process through the active engagement of ABAC, CTI and relevant sub-fora. Ministers stressed the need for the process to become a more robust, inclusive and forward-looking tool to progress achievement of the Bogor Goals.

Ministers recognized the importance of CAPs as a useful channel to implement APEC commitments on Trade and Investment Liberalization and Facilitation (TILF), which complement IAPs. Ministers encouraged consideration of the establishment of annual review mechanism for CAPs and agreed that these need to be revised, taking into consideration results from such a review.

Noting the different stages of economic development of member economies, Ministers emphasized the importance of incorporating pathfinder initiatives with capacity building elements in the development of CAPs.

2. Investment

Ministers noted the importance of investment flows to, from and within the APEC region and reaffirmed the importance of furthering APEC’s works on investment liberalization and

facilitation in progress towards the Bogor Goals. Ministers commended the contribution of APEC member economies to the development of the expanded work program on investment liberalization and facilitation and called for its steady implementation in collaboration with ABAC. In this regard, Ministers took note of the APEC Seminar on Experiences of some APEC Economies in Attracting Investment from Trans-national Corporations (TNCs) held in Ho Chi Minh City, Viet Nam in May 2006 and looked forward to the Seminar for Promoting the Public - Private Sector Dialogue to be held in Australia in June 2007.

Ministers reaffirmed the need to improve the investment environment for business in the region. In this regard, Ministers acknowledged the completion of the Stage 1 report of the project Enhancing Investment Liberalization and Facilitation in the Asia-Pacific Region, which improved knowledge of the importance of investment to growth and poverty reduction, barriers to investment in APEC economies, and the importance of removing such barriers to improving the investment climate. Ministers looked forward to the Survey and the Symposium on Investment Liberalization and Facilitation in 2007, to be conducted in collaboration with ABAC, which have the aim of identifying priority issues and making policy recommendations to improve the environment for investment and business in APEC member economies. A study and a seminar, held in Mexico City in October 2006, for the APEC-UNCTAD project on Investor-State Dispute Settlement in the APEC region were also completed. This project identified issues and trends arising in relation to investor-state disputes in the APEC region and their likely impact on member economies. Both project outcomes have provided a substantial base of policy analysis to take forward in further projects in 2007.

Ministers welcomed the APEC-OECD Seminar on the Policy Framework for Investment (PFI) held in Viet Nam in September 2006, which promoted understanding of PFI principles and discussed how to make use of the PFI. Ministers welcomed the APEC High-Level Public-Private Policy Dialogue on the OECD's Policy Framework for Investment to be held in Melbourne, Australia in March 2007. Ministers also welcomed the current Study of the Core Elements in Existing RTAs/FTAs and Bilateral Investment Treaties, which could help promote better understanding of the role of these agreements in facilitating investment.

Ministers reiterated the need for building capacity and sharing best practices in investment liberalization and facilitation. In this regard, Ministers welcomed the APEC Non-discrimination Workshop on Investment Agreements held in Xiamen, China in September 2006, which enhanced member economies' understanding of the non-discriminatory treatment issue and its economic and development implications. Ministers welcomed the Capacity Building for Investment Liberalization and Facilitation project, which will enhance the understanding of investment-related regimes among the public and private sectors of developing member economies. Ministers also welcomed Viet Nam's initiative to host the APEC Investment Forum in Ha Noi in November 2006, in conjunction with the CEO Summit, in order to share information on investment policies and opportunities.

3. Trade Facilitation Action Plan

Ministers reaffirmed the key importance of trade facilitation in achieving the Bogor Goals of free and open trade and investment in the APEC region. Ministers welcomed the report on the final review of the Trade Facilitation Action Plan (TFAP). Ministers concluded that APEC has met the 2001 Shanghai target of a five-percent reduction in trade transaction costs by 2006 and commended the actions of member economies for their high level of commitment to implementing the TFAP.

Ministers welcomed the framework in the report for taking forward the next phase of trade facilitation work in APEC to achieve another five-percent reduction in trade transaction costs by 2010. They instructed Officials to develop a detailed action plan (Trade Facilitation Action Plan 2 or TFAP2), taking into account the evolving nature of the regional trading landscape, for endorsement at the Meeting of Ministers Responsible for Trade in 2007. Drawing on APEC's experience with the first Trade Facilitation Action Plan, they encouraged Officials to consider in particular capacity building, input of the private sector, and closer linkage between collective and individual actions when developing TFAP2.

Ministers endorsed the development of a new initiative which will simplify Customs and other trade reporting procedures in the region. The initiative will involve the development of a common approach to the development of single windows for the use of international traders, transport operators and government agencies. This will simplify and decrease the regulatory burden on business. Ministers looked forward to the progress of this initiative in 2007.

Ministers laid emphasis on the importance of strengthening public-private partnership in delivering trade facilitation initiatives. Ministers welcomed the outcomes of the APEC Public – Private Dialogue on Trade Facilitation hosted by Viet Nam in May 2006. Ministers particularly encouraged member economies to foster relationship with APEC Business Advisory Council and the wider business community.

4. Customs Procedures

Ministers acknowledged and commended efforts and contributions by member economies to facilitating trade through simplifying and developing common approaches to customs procedures in the region. They welcomed the Sub-Committee on Customs Procedures (SCCP) Shanghai Goal Final Report which provided qualitative examples of initiatives undertaken by SCCP members to reduce trade transaction costs. Ministers also noted the successful completion of the 2006 APEC Customs – Business Dialogue held in conjunction with the Second SCCP Meeting in 2006.

Ministers encouraged member economies to continue pursuing work for regional enhancement of harmonized, standardized and simplified customs procedures. They directed officials to work on further actions and measures listed as examples in the report to Ministers on the final review of the Trade Facilitation Action Plan Report to the Ministers namely, developing common approaches to single windows and a plan to assist economies implement national single windows, including identification of capacity building and technical assistance requirements; implementing the APEC Framework for Secure Trade to create a secure trade environment; implementing Time Release Surveys (TRS) to provide a self assessment tool for identifying bottlenecks in customs-related procedures; protecting IPR border enforcement and working towards providing all customs and border-related information in electronic format.

5. Business Mobility

Ministers reiterated the importance of business mobility in trade facilitation. They supported efforts to encourage all member economies to fully participate in the APEC Business Travel Card (ABTC) scheme to maximize the benefits for the APEC business community. Ministers welcomed the announcement by the United States that it will engage the ABTC program by providing expedited processing, in some cases, at its international airports, Embassies and Consulates.

6. Standards and Conformance

Acknowledging the important contribution of actions and measures, particularly the collective action plans, in the area of standards and conformance to facilitating trade in the region, Ministers welcomed the final report undertaken by the Sub-Committee on Standards and Conformance (SCSC) which assesses the effectiveness of SCSC's implementation of Trade Facilitation Collective Action Plans (TFCAP). Ministers welcomed the successful completion of the 4th Good Regulatory Practice (GRP) Conference and the 6th Conference on Standards and Conformance held in conjunction with the second SCSC in 2006. Ministers also welcomed the new voluntary standards alignment work on International Electrotechnical Commission (IEC) standards for electrical equipment that was initiated in 2005 and would be completed by 2010. Ministers commended the outcomes of the case study on the effectiveness of Mutual Recognition Arrangements (MRAs) and similar mechanisms, led by Japan, whereby both member economies and private companies were surveyed, noting that they would help the practical application of MRAs and similar mechanisms and make them more effective, which would support trade facilitation. Ministers also noted and welcomed the initiative of SCSC to strengthen its relationship with Specialist Regional Bodies to achieve synergy in capacity building and mutual recognition arrangements.

Ministers agreed that greater involvement of regulators in regional discussions on standards and conformity assessment procedures could help resolve regulatory issues which impede trade and encourage the adoption of international standards, particularly where regulators are responsible for setting the standards and the associated conformity assessment procedures. They welcomed suggestions for specific initiatives to invite regulators to sectoral meetings in priority areas such as electronics and electrical products and encouraged member economies to ensure that regulators actively participate in such meetings.

Ministers recognized the importance of standards education and encouraged members to develop reference curricula and materials to address the significance of standards and conformance to trade facilitation in the region.

7. Private Sector Development

Ministers endorsed the Private Sector Development Work plan and welcomed the leadership of the Small and Medium Enterprise Working Group (SMEWG) in promoting the importance of a supportive business environment. They also encouraged the involvement of other relevant committees and working groups in implementing private sector development activities. They welcomed the commitment of the next four host economies to hold capacity-building workshops, based on the priority areas identified at the Montreal Symposium, successfully organized by New Zealand and Canada where member economies can share best practices and discuss how to best improve business climate of their respective economies. Ministers also welcomed the collaboration established with other organizations such as the World Bank and ABAC and noted that this agenda is a good example of the concrete application of process reforms in APEC.

8. Strengthening Intellectual Property Rights Protection and Enforcement

Ministers affirmed that effective protection and enforcement of Intellectual Property Rights (IPR) are key components to building knowledge-based economies and are important for promoting economic growth by expanding investment opportunities, spurring innovation and facilitating the growth of creative industries, including small businesses.

Ministers therefore reaffirmed their support of the APEC Anti-Counterfeiting and Piracy Initiative and endorsed the Model Guidelines for Effective Public Awareness Campaigns on IPR and the Model Guideline to Secure Supply Chains against Counterfeit and Pirated Goods. These two new sets of Guidelines are in addition to three previous IPR Model Guidelines endorsed in 2005: Model Guidelines to Reduce Trade in Counterfeit and Pirated Good, to Protect Against Unauthorized Copies, and to Prevent the Sale of Counterfeit Goods over the Internet. Ministers considered that all five Guidelines are timely policy responses to the emerging challenges of online piracy and trade in counterfeit and pirated goods, and act as valuable tools for helping economies strengthen their IPR protection and enforcement regimes. In line with this, Ministers called on economies to continue exchanging information on implementation templates of the first three sets of 2005 Guidelines before the 2007 meeting of APEC Ministers Responsible for Trade. Ministers called economies to increase capacity building efforts to help implement the IPR guidelines.

Also building on the APEC Anti-Counterfeiting and Piracy Initiative, Ministers welcomed the initiative to include a statement in this year's Leaders' Declaration that central government agencies use only legal software and other copyright materials and implement effective policies intended to prevent copyright infringement on their computer systems and via the Internet, in accordance with relevant international conventions and domestic laws and regulations concerning copyright and related rights; and central government funds are not used by contractors or recipient institutions to purchase illegal software or other illegal copyright materials.

Given the importance of actively pursuing strong IPR protection and enforcement in the region, Ministers called on economies to take further steps in the coming year in order to build on the APEC Anti-Counterfeiting Initiative. Ministers stressed the importance of building effective information sharing channels to strengthen IPR border enforcement. In this context, Ministers instructed officials to explore the possibilities of establishing the APEC information exchange mechanism of IPR customs protection.

Ministers also called economies to complete the exchange of information on IPR websites and IPR enforcement point of contact before the 2007 meeting of APEC Ministers Responsible for Trade, and continue in 2007 to take steps to apply the APEC Effective Practices for Regulations Related to Optical Disc Production.

Ministers welcomed members' progress to advance the CAPs on IPR including the establishment of 14 IPR Service Centers and encouraged remaining economies to establish Centers as soon as possible. Ministers also welcomed efforts to enhance education on IPR measures for small and medium enterprises and called on economies to continue their work in this important area. Ministers supported the Auto Dialogue's IPR Best practice paper, which aims to provide the member economies with a reference for their planning and implementing measures to protect IPR in the automotive and motorcycle industries and the parts industries.

9. Information and Communication Technologies (ICT) and E-commerce

Cognizant of the increased use of information and communication technologies in business and government processes in the region, Ministers reaffirmed the importance of developing policies and capacity building projects conducive to realizing the benefits of electronic commerce. In this context, Ministers commended the work of the Electronic Commerce Steering Group towards fulfilling APEC's Data Privacy and Paperless Trading agendas, and welcomed the involvement of the private sector. Ministers acknowledged the cross border

rules concept with a view to ensuring responsible and accountable cross-border information flows and effective privacy protection without creating unnecessary barriers. Ministers encouraged Officials to facilitate this goal by developing and disseminating implementation frameworks such as best practices for cross-border rules. Ministers also noted the importance of creating the Information Privacy Individual Action Plans (IAPs) in developing compatible approaches in privacy protection and ensuring the free flow of information in the APEC region. Ministers acknowledged the need to provide more training to the private sector, the major stakeholder and beneficiary of paperless trade and to share experiences and expertise regarding policy formulation and expand collaboration with international organizations in paperless trade. Ministers welcomed the convening of the 2nd APEC E-commerce Business Alliance Forum and commended a number of APEC E-Trade and Supply Chain Management Training Courses held in China in 2006.

Ministers encouraged member economies to more deeply engage in building Information and Communications Technologies (ICT) infrastructure and capacity to support strong efforts made in reaching the Brunei Goals on Internet access in the region. Ministers welcomed the collaboration with the private sector on developing a framework for ICT-enabled growth in the region, focusing initially on the four key sectors of infrastructure, health, finance and commerce.

Ministers recognized that the continued development and implementation of ICT brings opportunities for all economies, but at the same time these new technologies can lead to new threats to the security of information and communications networks. In this regard, Ministers took note of the work begun by TEL on drafting of guidelines on the protection of information systems for essential infrastructure and services as part of an ongoing focus on online security, spam and related threats. Ministers highlighted the importance of cooperative activities to address and mitigate the threats posed by spam and malware through the TEL Spam and Related Threats Symposium in April 2006. Ministers noted the work of TEL on developing good practice guidelines to support economies in coming up with effective domestic regulation on telecommunications and information technology sectors in line with their commitment under GATS.

Recognizing the importance of continuously addressing the gaps among member economies digital capabilities, Ministers acknowledged that converting digital divides into opportunities is helpful for member economies in developing the digital economy. They welcomed the progressive activities and contributions made by the APEC Digital Opportunity Center (ADOC) in 2006 and encouraged member economies to enhance their cooperation in this area of work.

Ministers highlighted the work of APEC TEL on developing a clearer vision of the Asia Pacific Information Society (APIS) and encouraged APEC TEL to advance the development of the APIS further.

Ministers acknowledged the outcomes of the two conferences on the Development of Model Government Chief Information Officer (CIO) Councils held in June in Japan and September in the United States. The conferences provided a platform for discussion and participation by academia, business and government officials to advance thinking on emerging issues facing CIO Councils as well of issues of relevance to the evolving ICT sector. Ministers supported the development of new APEC TEL activities to build on this work.

10. Pathfinder Initiatives

10.1. Trade and the Digital Economy

Ministers acknowledged the significant role played by the Information Technology Agreement (ITA) in APEC economies and emphasized the need to review how its product coverage can be maintained in the face of technological development, such as the convergence of technologies and the addition of new functions, thereby preserving the effectiveness of the ITA. Ministers are concerned that technologically advanced versions of ITA products may be in danger of no longer receiving duty-free treatment due to an overly narrow interpretation of ITA product coverage. Ministers encouraged officials, together with those of non-APEC economies, to work on how best to address the issue and explore further actions. In this connection, Ministers also welcomed the recent initiatives by some of the APEC economies to agree on duty free treatment of Multi-Chip Packages (MCPs) as a complement to the ITA, and further encourage APEC economies to join such initiatives.

10.2. Technology Choice

To advance the 2002 Leaders' Pathfinder "Statement to Implement APEC Policies on Trade and the Digital Economy" and to promote principles of technology choice in a market-opening, trade-liberalizing manner that spurs the cycle of innovation and opportunity, and promotes economic development across the region, Ministers recommended that Leaders adopt the "APEC Technology Choice Principles" as a new pathfinder initiative.

10.3. APEC Sectoral Food Mutual Recognition Agreement (MRA)

Ministers welcomed the fruitful outcome of the second APEC Sectoral Food MRA Pathfinder Initiative Meeting hosted by Thailand in August. This Initiative will work closely with the APEC Food Safety Cooperation Initiative to promote internationally harmonized food standards and to coordinate capacity building activities in the APEC region. Ministers encouraged member economies to participate actively to facilitate trade in food products, which is important to the region and APEC's overall goals.

V. ANTI-CORRUPTION AND TRANSPARENCY

Ministers highlighted the fact that corruption threatens APEC economies' regional security and stability, undermines economic performance, creates barriers to trade and investment, and hampers APEC's efforts to achieve prosperity and sustainable growth throughout the Asia Pacific region. While the impact of corruption is felt by all segments of society, Ministers agreed that it disproportionately hurts the poor, the vulnerable, and the young.

Ministers appreciated the progress made by APEC members in 2006 in fighting corruption and ensuring transparency. Ministers endorsed APEC 2006 key deliverables on Prosecuting Corruption, Strengthening Governance and Promoting Market Integrity and encouraged member economies to take actions to realize their commitments. Ministers also encouraged all economies to complete their progress reports on the implementation of ACT commitments by 2007. Ministers welcomed APEC efforts to conduct a stocktaking exercise of bilateral and regional arrangements on anti-corruption in cooperation with relevant international and regional organizations, and encouraged member economies to fully participate in the stocktaking activities.

Ministers applauded those member economies that have ratified the United Nations Convention against Corruption (UNCAC) and encouraged relevant member economies to ratify, or commit to ratify, the UNCAC where appropriate. Ministers stressed the importance of preventive measures and integrity systems in the fight against corruption and urged member economies to adopt and implement codes or norms of conduct that are aligned with the UNCAC.

Acknowledging the valuable information and experience that multilateral organizations can share with APEC in the area of anti-corruption, Ministers encouraged the APEC Anti-Corruption Task Force to strengthen cooperation with other international and regional organizations, as appropriate, particularly with the United Nations, the World Bank, the Asian Development Bank (ADB), OECD, INTERPOL, Financial Action Task Force and the Asia-Pacific Group on Money Laundering (APG) on their anti-corruption initiatives in the Asia-Pacific region.

Ministers underscored their commitment to prosecute acts of corruption, especially high-level corruption by holders of public office and those who corrupt them. In this regard, Ministers commended the results of the Workshop on Denial of Safe Haven: Asset Recovery and Extradition held in Shanghai in April 2006. Ministers agreed to consider developing domestic actions, in accordance with member economy's legislation, to deny safe haven to corrupt individuals and those who corrupt them and prevent them from gaining access to the fruits of their corrupt activities in the financial systems, including by implementing effective controls to deny access by corrupt officials to the international financial systems.

Ministers emphasized the significance of public-private coordination on anti-corruption and ensuring transparency and welcomed the results of the Public and Private Dialogue on Anti-Corruption and Ensuring Transparency in Business held on the margins of SOM III in Viet Nam. Ministers agreed to deepen public-private partnerships by working with ABAC and business leaders to strengthen corporate governance with innovative strategies that assure greater economic opportunities and prosperity.

Ministers also reiterated the importance of robust implementation of APEC's general and area-specific Transparency Standards and encouraged Senior Officials to fully complete the assessment of implementation of the Transparency Standards.

VI. HUMAN SECURITY

Ministers shared the grief over the suffering and loss of the victims of terrorist attacks, natural disasters, infectious diseases and other tragedies, and offered heartfelt condolences to the affected families and governments. They reaffirmed their determination to take necessary and timely actions to enhance human security in the areas of counter-terrorism, health security, emergency preparedness and energy security.

1. Counter-Terrorism and Secure Trade

Ministers strongly condemned all acts of terrorism and reiterated that terrorist attacks continue to pose serious challenges to security, stability, growth and the welfare of the peoples of the APEC region. They encouraged APEC members to continue to review the progress in implementing APEC Leaders' commitments made in Bangkok in 2003 to

dismantle trans-national terrorist groups; to eliminate the danger posed by the proliferation of weapons of mass destruction and their means of delivery; and to confront other direct threats to security in the region. Toward this end, Ministers acknowledged the need to take appropriate individual and joint actions to protect legitimate financial and commercial systems from abuse, in accordance with international law and domestic legislation and consistent with respective circumstances and policies. Such actions could include increasing barriers to proliferation activity and strengthening export controls including through implementation of the 2004 APEC Key Elements for Effective Export Control Systems adopted by Ministers.

Ministers welcomed progress made to implement existing commitments and to provide capacity building and technical assistance, with a view to creating a secure environment for economic cooperation in the APEC region. They noted additional contributions made by APEC members to the Asian Development Bank's Regional Trade and Financial Security Initiative to support meaningful programs and projects for developing members to enhance anti-money laundering, border controls and port and aviation safety and security across the region. Ministers also noted individual and joint efforts to provide voluntary assistance for implementation of existing commitments in the areas of safe handling and trade of radioactive sources and protecting airports against the threat caused by Man-Portable Air Defense Systems.

Ministers welcomed the benefits of the APEC Counter-Terrorism Action Plans (CTAPs) in identifying capacity gaps in regional security frameworks and encouraged the annual submission and regular update of comprehensive CTAPs by all member economies. They reiterated their commitment to appropriate capacity building activities and development of best practices, and called for more concrete measures to be undertaken to assist member economies in filling the capacity gaps as identified in the CTAPs cross-analysis.

Ministers encouraged further individual and joint actions to secure trade and eliminate the danger of terrorism. They welcomed the new initiatives including "Mitigating the Terrorist Threat to the APEC Food Supply" and the resulting Food Defense Workshop co-hosted by the United States and Thailand in November in Bangkok; "APEC Counter-Terrorism Review" completed by the Philippines; "Counter-Terrorism Financing Workshops" proposed by Australia; and "Aviation Security Quality Control Programs" proposed by the United States. They also welcomed the incorporation of the business resumption points of contact and the aviation security points of contact, as proposed by Canada and the United States, respectively, into the APEC Register of Pandemic and Disaster Management Coordinators.

Ministers also took note of Russia's proposal to upgrade the counter-terrorism protection of critical energy infrastructure and to establish a relevant APEC Rapid Response Points of Contact Network. Ministers recognized the necessity of early conclusion of the International Convention for the Suppression of Acts of Nuclear Terrorism as well as the Amendment to the Convention on the Physical Protection of Nuclear Material.

Ministers reaffirmed their resolve to ensuring secure trade in the APEC region. They welcomed the outcomes of the 4th Secure Trade in the APEC Region (STAR IV) Conference in Viet Nam in February, and looked forward to the STAR V Conference in Australia. They further encouraged the active participation of the private sector in the STAR initiative. They emphasized the importance of balancing the efforts on secure trade and the implementation of trade facilitation measures so as to ensure both security and economic efficiency, and to minimize the additional transaction costs borne by the business community as a result of

increased security measures.

Ministers commended the outcomes of the APEC Symposium on Total Supply Chain Security hosted by Singapore in July and recognized the urgent need for APEC member economies to examine ways to facilitate the recovery of international trade and domestic businesses in the event of disruptions caused by a major terrorist attack or other calamities on the global supply chain.

Ministers commended the APEC Viet Nam Customs eManifest Demonstration Project as an important public-private partnership to increase trade facilitation and enhance security. The project allows for expedited clearance of goods, improved inventory management, increased revenue collection, and improved security and risk management. Additionally, the eManifest electronic system promises to create a more transparent process for Viet Nam Customs encouraging Viet Nam's implementation of the APEC Framework for Secure Trade. Ministers noted that the project could serve as a model that could be replicated in the APEC region and instructed Senior Officials to explore this and report back.

Ministers noted that the voluntary implementation of the APEC Framework for Secure Trade will facilitate trade by establishing and implementing a common set of standards and encouraged member economies to begin implementation. To date, 18 APEC economies have committed to implementing the framework's standards to expedite and secure the flow of goods.

Ministers welcomed the success of the Regional Movement Alert List (RMAL) pilot between the United States, Australia and New Zealand, a world first in real time multilateral travel document data exchange, which helps to combat trans-national crime and terrorism by detecting the use of lost and stolen travel documents while facilitating the safe and efficient movement of legitimate travelers. They welcomed the completion of a multilateral policy framework to enable the expansion of RMAL as a fully operational system to be known as the Regional Movement Alert System (RMAS) and encouraged further members to consider joining when they are ready.

Ministers welcomed the successful efforts to raise awareness of international standards for biometric travel documents and supported further capacity building to assist adoption of the standards. They noted the importance of Advance Passenger Information Systems to facilitate travel and passenger security and encouraged the further implementation of these systems.

Ministers valued the effective role of the Counter-Terrorism Task Force (CTTF) in coordinating counter-terrorism activities and applauded the Senior Officials' decision to extend its mandate until the end of 2008. They welcomed Korea as the CTTF Chair for the next two years.

2. Health Security

Ministers reiterated the importance of cooperation and coordination on health security issues in the APEC region, and renewed their commitment to the three priority areas of the APEC Health Task Force (HTF): (1) Enhancing avian and human pandemic influenza preparedness

and response; (2) Fighting against HIV/AIDS in the APEC region; and (3) Improving health outcomes through advances in health information technology. Ministers commended the HTF on the valuable work undertaken in 2006 in continued response to the objectives set at the APEC Ministerial and Leaders Meetings of 2005. They looked forward to further examination by the HTF in the coming year about how best it could continue to work to promote the health of people in the APEC region.

2.1. Enhancing Avian and Human Pandemic Influenza Preparedness and Response

Ministers noted with great concern that the potential for the highly pathogenic avian influenza/ H5N1 virus to mutate into a pandemic strain remains a continued threat to the APEC region and to the world. This year, APEC economies focused on building capacity to control avian influenza at source in birds and mitigate the effects of pandemic influenza. Ministers welcomed the actions undertaken by APEC economies to build capacity to mitigate the effects of this threat and to implement the measures endorsed in the APEC Initiative on Preparing for and Mitigating an Influenza Pandemic. Ministers reaffirmed their commitment to ensuring that APEC remains prepared to respond effectively to infectious diseases throughout the entire APEC region.

While acknowledging the work accomplished, Ministers highlighted the continuing need for vigilance and action regarding animal disease outbreaks to reduce the prevalence of the virus. Ministers renewed their commitment to transparent communication of outbreaks and the sharing of samples for research to improve preparedness, and urged continued efforts to develop, integrate, and practice avian and pandemic influenza preparedness plans to mitigate human suffering and major impacts on commerce, trade and security due to an influenza pandemic.

Ministers agreed to continue to collaborate with the International Partnership on Avian and Pandemic Influenza and to maintain cooperation with specialized international organizations, in particular the World Health Organization (WHO), the United Nations Food and Agricultural Organization (FAO), and the World Organization for Animal Health (OIE) to achieve mutual objectives for global preparedness and emergency response capacities.

Ministers welcomed the outcome of the APEC Ministerial Meeting on Avian and Influenza Pandemics and strongly encouraged all APEC economies to work individually and cooperatively to implement the APEC Action Plan on Prevention and Response to Avian and Influenza Pandemics to prevent, prepare for and mitigate the impact of avian influenza and a possible influenza pandemic.

Ministers endorsed the conclusions and the consensus reached at the APEC Symposium on Emerging Infectious Diseases in Beijing in April 2006, which reinforced the common objectives of preparedness and prevention of emerging infectious diseases and created opportunities for further exchanges and cooperation among APEC economies for disease surveillance and response, risk communication and coordinated collaboration on emergency response in the APEC region.

Ministers acknowledged the success of the Pandemic Risk Communications Workshop, which highlighted the importance and understanding of enhancing regional coordination in risk communication, build risk communication capacity among APEC economies, and encourage APEC members to develop communications strategies as part of pandemic preparedness planning.

Ministers were highly satisfied to see member economies collaborate with the Regional Emerging Diseases Intervention (REDI) Center to develop a list of available regional experts. Ministers also applauded the APEC HTF Seminar on Assessing Pandemic Preparedness Plans, which provided a framework for assisting developing economies in making decisions on how to assess their domestic pandemic preparedness plans, an area deemed of great importance by the Ministers.

Ministers noted the important work to assist APEC economies to maintain economic activity and reduce business disruption in the event of a pandemic, and were pleased with the success of the Symposium on Functioning Economies in Times of Pandemic. Ministers welcomed economies' contributions to the important work on pandemic preparedness as discussed at the SME Ministerial Meeting, September 28-29 in Hanoi, supported the prompt development of an APEC Pandemic Preparedness for Small Business Checklist and encouraged close collaboration with ABAC and the on-going work in the private sector to prepare for and mitigate an influenza pandemic.

Ministers were pleased with the outcome of the APEC Capacity Building Seminar on Avian Influenza: Preventing AI at its Source and a Dialogue on Indemnity co-hosted by the US and Japan, which increased information sharing and collaboration amongst animal and human health Senior Officials to minimize animal disease outbreaks and therefore human infections, and agreed to share reports on domestic measures to mitigate the negative effects of avian influenza and to enhance efforts to control and interrupt transmission of H5N1 in poultry.

Ministers recognized that access to affordable anti-viral medicines is an essential element of the strategy to contain an influenza pandemic. Ministers therefore encouraged APEC member economies to work towards ensuring the availability of affordable drugs and vaccines.

Ministers welcomed the work of the HTF and the Task Force on Emergency Preparedness (TFEP) and underscored the importance of integrated planning and a coordinated approach involving the widest spectrum of actors as possible to address both the animal and human health dimensions of avian influenza. Ministers instructed all APEC fora and economies to continue to work cooperatively to achieve these goals.

2.2. Fighting against HIV/AIDS in the APEC region

Ministers noted with concern the rising HIV prevalence rates in the Asia-Pacific region and renewed their commitment to work individually and collectively to combat the spread of HIV/AIDS in the APEC region. They recognized that failure to properly address HIV/AIDS and its related illnesses could have potentially grievous impacts on human health and also on the social and economic well-being of APEC economies.

Ministers commended the HTF's work in the area of HIV/AIDS and called for sustained efforts in this area in accordance with the 2004 APEC Leaders statement on "Fighting Against AIDS in APEC".

Ministers were pleased by the release of an APEC HIV/AIDS Statement at the XVI International AIDS Conference held in Toronto, Canada, which reaffirmed APEC's commitment to fighting the disease and appealed to APEC Leaders to continue to scale up their engagement in the fight against HIV/AIDS.

Ministers noted progress achieved in the development of guidelines for creating an enabling

environment for employers to implement effective workplace practices for people living with HIV/AIDS, in particular migrant workers, women and girls and reiterated the importance of access to affordable life-saving medicines.

2.3. Improving health outcomes through advances in health information technology

Ministers welcomed the work of the HTF in the area of health information technologies and recognized that advances in information technology can help expand access to health information and health care services in the APEC region. Ministers also commended the cooperation between the HTF and other APEC fora on this issue.

Ministers are looking forward to the outcomes of the Initiative on Enhanced APEC Health Communications, the e-Health Initiative Project, which includes the organization of an annual APEC e-health seminar, and are pleased with the launch of the HTF Website.

3. Emergency Preparedness

Ministers welcomed the work of the Task Force on Emergency Preparedness (TFEP) during 2006 in building disaster preparedness and response capacity in the APEC region. Ministers encouraged information sharing and technical cooperation between and among member economies, as well as with relevant international organizations, such as the UN and the Red Cross Movement, in order to better prepare for and respond to emergencies as well as to provide assistance during the recovery phase of reconstruction and rehabilitation while ensuring that APEC's work complements existing multilateral and regional initiatives.

Ministers noted the success of APEC 2006 Pandemic Response Exercise, led by Australia and co-sponsored by Singapore on 7-8 June 2006, which was the first time APEC economies had come together to test regional responses and communication networks, and its following post-exercise APEC Workshop on Avian Influenza in Singapore on 14-15 August 2006. Ministers took note of the completion of the APEC 2006 Register of Pandemic and Disaster Management Coordinators and encourage the Register be updated regularly. Ministers also encouraged the further engagement of experts and emergency management agencies with the Task Force.

Recognizing the important role of women in all aspects of disaster preparedness and recovery, Ministers emphasized the need for APEC to explore ways to strengthen their role in all phases of disaster management.

Ministers looked forward to the new APEC initiatives in the field of disaster reduction, including the forthcoming APEC workshop for Chief-Executive Officers of APEC disaster management agencies.

Acknowledging that the TFEP term will expire in March 2007, Ministers instructed Senior Officials to consider future directions of the TFEP at SOM I in 2007.

4. Energy Security

Ministers reiterated the concerns of member economies about the impact of high oil prices, noting that effective responses require a range of supply and demand side measures. Ministers reaffirmed that energy security, in the form of reliable access to reliable sources of energy is fundamental to the region's continued economic development. Ministers

encouraged the Energy Working Group (EWG) to continue its work to pursue energy policies that reduce or remove market distortions, result in efficient consumption and production, and enhance energy security within the APEC region, while mitigating the environmental effects of energy supply and use. Ministers also encouraged the EWG to continue its implementation of initiatives on liquefied natural gas (LNG) public education and communication and on financing of high-performance buildings and communities.

Ministers also noted the need to address the environmental side effects of rapidly growing energy demand. In particular, they urged APEC to consider ways in which it might further contribute to promoting cleaner energy, thereby addressing energy security, improving air quality, and advancing climate change objectives.

Ministers encouraged the strengthening of cooperation on energy issues through the Energy Security Initiative, including practical measures to improve energy data transparency through the Joint Oil Data Initiative, respond to energy supply disruptions, facilitate investment and cross-border trade, enhance energy efficiency, diversify energy sources including new and renewable energy, clean use of coal, and nuclear energy for interested economies, and promote technology cooperation. Ministers recognized the establishment of an APEC Bio-fuels Task Force, focused on issues such as economics, infrastructure, vehicles, resources and trade. Ministers welcomed the project to increase cooperation among nuclear safeguard authorities. Ministers also welcomed closer cooperation between the EWG and the International Energy Agency (IEA) which will broaden the view of EWG and lead to enhancement of EWG activities.

VII. ECONOMIC AND TECHNICAL COOPERATION (ECOTECH)

Ministers reaffirmed the importance of ECOTECH in contributing to sustainable growth and achieving common prosperity and its significant role in ensuring the achievement of the Bogor Goals.

Ministers welcomed the work of the Steering Committee on ECOTECH (SCE) to refocus and provide a more strategic approach to APEC's economic and technical activities and endorsed the 2006 Senior Officials' Report on Economic and Technical Cooperation. Ministers also reaffirmed their commitment to the Manila Framework that provides the basis for the implementation of the ECOTECH activities outlined in the Osaka Action Agenda and endorsed the updated list of priorities.

Ministers endorsed the recommendations of the SCE review of APEC Fora, recognizing that these improvements will ensure more focused economic and technical cooperation and bring a more strategic perspective to APEC's capacity building and technical assistance. Ministers also welcomed the independent assessments of the Small and Medium Enterprises Working Group (SMEWG) and the Tourism Working Group (TWG), which pave the way for improving operations and responsiveness to meeting the Bogor Goals. Ministers instructed the SCE to continue efforts to improve the operations and work of working groups, task forces and networks to ensure ECOTECH activities are targeted, effective and efficient to make the best use of scarce resources in 2007 and beyond.

Ministers also acknowledged the broad range of economic and technical capacity building initiatives completed in 2006 by working groups and task forces, as reported in the 2006

SOM Report on Economic and Technical Cooperation and the 2006 Fora Report. Ministers encouraged ongoing efforts to continue to review working arrangements and to target capacity building efforts to reflect broader APEC priorities.

Recognizing that taking further steps towards an integrated and coordinated shipping industry will help to more fully support realizing APEC's overall aim of free and open trade, Ministers endorsed the APEC Port Service Network (APSN) Initiative. Ministers instructed Senior Officials to establish the network in a timely manner, incorporating all stakeholders in port operations and shipping businesses to provide a platform for increased cooperation and capacity building.

Ministers welcomed contributions of China and the United States to the APEC Support Fund to advance economic and technical cooperation (ECOTECH) to ensure equitable and shared prosperity. They also welcomed the earlier contributions of Australia, Republic of Korea and Chinese Taipei to the Fund

Ministers welcomed the progress made by the Asia-Pacific Finance and Development Center (AFDC) in Shanghai, China in promoting financial stability and development, financial system reform and capacity building in the region.

1. Sustainable Development

Ministers acclaimed the work undertaken this year on the issue of sustainable development. Ministers welcomed the outcomes and endorsed the recommendations of the APEC High Level Meeting on Sustainable Development held on 20-21 July in Santiago, Chile, which was coordinated by the SCE.

2. Human Resources Development

Ministers reaffirmed the pivotal role of human resources development for sustainable development and prosperity in the APEC region. Ministers also recognized the importance of the Human Resources Development Working Group (HRDWG) in education, employment, labor and capacity building among APEC member economies. Ministers welcomed the 2006 work plan and new Lead Shepherd of HRDWG.

Ministers noted the significant work progress being carried out by HRDWG this year, especially the contribution of Capacity Building Network (CBN) in the area of Human Capacity Building and encouraged HRDWG to develop further work out new initiatives, projects and programs to strengthen human resources development as a driving force in the APEC process. In particular Ministers encouraged the Labor and Social Protection Network to focus on three emerging human resource issues – productivity, skill development, and labor force participation rate – in order to contribute effectively to improved human resource capabilities throughout the APEC region. Ministers also encouraged HRDWG to continue to work on the initiative of “Developing a Strategic Plan for English and Other Language Learning in the APEC region”.

In today's era of rapid technological progress and innovation, the world's economies are constantly seeking ways to invest in human resources to build knowledge-based economies and to achieve sustainable economic growth and prosperity. At a joint U.S.-Vietnam

conference in Ha Noi, on September 19-20, human resource experts and practitioners from across the APEC region discussed effective techniques and principles for operating public-private partnerships and demand-driven employment services to address labor market inefficiencies at the joint U.S.-Vietnam conference in Ha Noi. Ministers recognized the achievements of the conference and encouraged the HRDWG to consider building on work already underway to describe research-based promising practices through the Knowledge Bank project in the HRDWG's Education Network.

3. Marine and Coastal Resources, Fisheries and Aquaculture

Ministers recognized the importance of sustainable development in marine and coastal resources, and the opportunities this creates for wealth and employment generation from investment and trade. The Marine Resources Conservation Working Group's (MRCWG) work on post-tsunami economic activities and natural buffer protection ensures greater sustainable growth for affected areas. Ministers further recognized that pollution threatens economic opportunity in coastal communities and instructed the MRC to intensify its work on controlling marine debris and on mapping marine resources in order to safeguard economic assets.

Ministers recognized the importance of sustainable economic development in the fisheries and aquaculture sectors, which are of particular importance to many APEC economies. Ministers further recognized that the MRCWG and FWG are actively implementing the Bali Plan of Action, agreed by Ministers at the 2005 APEC Oceans-related Ministerial Meeting to serve as a blueprint for APEC-wide ocean-related activities. Ministers recognized that in order to maximize economic benefits from the oceans, efforts must be taken to facilitate and sustain trade and access to markets for fish and fishery products. Ministers also noted that illegal fishing undermines free and fair trade in fisheries products and directed the FWG to develop programs to assess the impacts of illegal fishing activities, enforce fisheries management measures, and address overcapacity in fishing fleets and report back to Ministers on their progress.

In this connection, Ministers welcomed the outcome of the Fisheries Working Group Seminar on Sharing Experiences in Managing Fishing Capacity held in Chinese Taipei in May 2006.

4. Industrial Science and Technology

Ministers applauded member economies' promotion of sustainable development and common prosperity through enhanced cooperation in industrial science and technology.

Ministers welcomed the progress made by the APEC Climate Centre (APCC), the electronic International Molecular Biology Laboratory (eIMBL), APEC Center for Technology Foresight, improvements in the participation of women and minority ethnic communities in the science and technology workforce in the APEC region, and in the field of Roadmapping Converging Technologies to Combat Emerging Infectious Diseases.

5. Small and Medium Enterprises

Ministers recognized the importance of strengthening SME Competitiveness for Trade and Investment through developing an enabling environment that fosters SMEs' and Micro Enterprises' (MEs) competitiveness, innovation and entrepreneurship and supports their capacity to invest and trade. In this regard, Ministers welcomed the development of a

multiyear work program of private sector development initiatives to enhance business environment for SMEs and instructed Senior Officials to continue to identify areas of further work as a high priority.

Ministers took note of the outcomes of the 13th SME Ministerial Meeting held in September and agreed with SME Ministers on the importance for capacity building in the APEC's SME activities.

Ministers noted with satisfaction the outcomes of the 4th APEC Small and Medium Enterprises Technology Conference and Fair held in Qingdao, China in May 2006; the 4th APEC Small and Medium Enterprises Service Alliance Forum in October 2006 and the 1st APEC OVOP Seminar held in Ha Noi, Vietnam in September 2006. They recognized the advantage of such activities in promoting the growth and competitiveness of SMEs and encouraged continuous efforts by all members in this regard.

Ministers encouraged efforts to support the use of Information and Communication Technology in SMEs and MEs in promoting trade and exploring business opportunities, especially in overseas markets. Ministers welcomed different initiatives in this regard, including the "APEC local Cultural Industries Virtual Exposition" website and the "APEC Local Cultural Industry Market Development Forum" held in Chinese Taipei this year.

Ministers welcomed the report of the independent review of the SME Working Group, which outlined a number of recommendations for improving its focus and effectiveness. Ministers instructed the SME Working Group to give careful consideration to these recommendations and report back to Senior Officials in the first half of 2007 on its proposed response.

Ministers welcomed the recommendations from the 11th WLN meeting and encouraged a closer collaboration between WLN and the SMEWG to ensure that the issues and challenges of women's SMEs and MEs are integrated in all SMEWG initiatives. Ministers also welcomed the input from ABAC and welcomed a closer working relationship with ABAC.

VIII. ECONOMIC ISSUES

Ministers welcomed the continued strong performance of the regional and global economies. To ensure the sustained expansion of economic prosperity in the region it is important to reinvigorate the Doha Round of trade negotiations. Ministers acknowledged the Finance Ministers' statement on the importance of an orderly readjustment of global imbalances in a way that sustains strong regional and global economic growth, and the shared responsibility that APEC economies have in bringing this about. Reducing global imbalances while maintaining growth requires fiscal sustainability, price and exchange rate flexibility, and reforms to promote investment, strengthen financial markets, generate more balanced domestic demand, and improve corporate governance and legal infrastructure across the Asia-Pacific region.

1. Structural Reform

Ministers noted that there was a growing focus in the region on behind-the-border impediments to development and growth and that the Leaders' Agenda on Implementing Structural Reform (LAISR) provided an important platform to develop, strengthen and

coordinate work within APEC.

Structural reforms to address ‘behind-the-border’ impediments will help ensure that economies and the region are more resilient to economic shocks, achieve greater macroeconomic stability, and experience increased productivity in the longer term. This can contribute significantly to improving economic development and growth outcomes in the region.

Ministers welcomed the emerging role of the Economic Committee (EC) as a forum for high-level policy dialogue. Ministers acknowledged the efforts of the EC to date to implement the APEC Work Plan on LAISR towards 2010 (LAISR 2010) and instructed EC, drawing on LAISR 2010, to develop a detailed and ambitious work program outlining how APEC’s structural reform agenda will be progressed in a clear and consistent manner and report on this at 2007 Ministerial Meeting. Ministers also encouraged member economies to ensure that senior officials from ministries with key responsibilities for structural reform participate in the work of the EC.

Ministers also welcomed the EC’s publication of the 2006 APEC Economic Policy Report with its focus on structural reform issues. Ministers noted emerging issues of sustainable development and emphasized that member economies should ensure the process of structural reform can take place in an efficient and realistic manner. Ministers noted and encouraged self-assessment exercises by member economies using the APEC-OECD Integrated Checklist on Regulatory Reform to review their domestic structural reform activities.

Ministers encouraged greater capacity building on structural reform issues in the region. In this regard, Ministers welcomed the success of the Seminar on Public Sector Governance held in September 2006 in Da Nang, Viet Nam and encouraged the EC to undertake further work in this area. Ministers also noted the EC’s work in developing a comprehensive set of indicators of all major aspects of structural reform, which can be used to diagnose areas in each economy where progress could be particularly profitable and to monitor progress.

Ministers also encouraged APEC member economies to facilitate information-sharing on policy direction for market-oriented economic reform through seminars. In this regard, Ministers looked forward to the success of the Seminar for Sharing Experiences in APEC economies on Strengthening the Economic Legal Infrastructure in Ha Noi in March 2007.

2. Socio-economic Disparity

Ministers reaffirmed the importance of ensuring that all citizens have the opportunity to share the benefits from trade liberalization and economic growth. They welcomed the outcomes of the APEC Symposium on Socio-economic Disparity hosted by Korea held in Seoul on June 28-29 2006, and noted the Report on Socio-economic Disparity in the APEC region. The report identified areas to be addressed and offers recommendations on how to confront the challenges and impediments related to socio-economic disparity issues.

3. Information Sharing for Sustainable Growth

Ministers noted Japan’s proposal to promote information sharing for sustainable growth of the Asia Pacific economies in a more accurate, speedier and user-friendly way.

IX. INTERACTION WITH THE BUSINESS COMMUNITY

1. Dialogue with the APEC Business Advisory Council (ABAC)

Ministers instructed Senior Officials to promote collaboration with ABAC to achieve free and open trade and investment in the APEC region.

Ministers welcomed the 2006 ABAC Report to Leaders and tasked senior officials to consider the recommendations and report their views to ABAC and Ministers.

Ministers highly appreciated dialogues between Senior Officials and ABAC since the second ABAC meeting held in Montreal, Canada, in May 2006 to discuss the DDA negotiations, RTAs/FTAs and the Busan Business Agenda. Ministers looked forward to the next SOM/ABAC dialogue in Tokyo, Japan, in May 2007.

Ministers called for ABAC to continue to play an important role in making policy recommendations and reviewing APEC activities in line with APEC Reform initiatives.

2. Industry Dialogues

2.1. Automotive Dialogue

Ministers welcomed the Auto Dialogue's initiative to facilitate Customs procedures for low-risk auto and auto parts companies and looked forward to receiving in 2007 the Dialogue's recommendations on how this initiative could be implemented, including appropriate capacity-building. Ministers encouraged the Auto Dialogue to consider further work in other areas. Ministers looked forward to the outcomes of the Road Safety Summit in Australia and welcomed the Dialogue's goal of raising awareness for road safety. Ministers also noted the Dialogue's work in emerging fuels and environmental issues and looked forward to the Dialogue's recommendations in this area.

2.2. Chemical Dialogue

Ministers recognized the work of the Chemical Dialogue in facilitating regional trade in chemicals. Ministers expressed growing concern over the potential barriers to trade of the EU Registration, Evaluation, and Authorization of Chemicals (REACH) system arising from uncertainty over details of implementation and the capacity of the region's industry to comply with onerous testing requirements. Ministers also noted the Dialogue's work to address implementation issues in other product-related environmental regulations, including Restrictions on Hazardous Substances.

Ministers noted the Chemical Dialogue's concern that failure of the DDA negotiations would be a major setback for global trade expansion and its call for the urgent resumption of the DDA negotiations. Ministers welcomed the progress with implementation of the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) and noted with appreciation the APEC Seminar on GHS Implementation and Technical Assistance held in Thailand in September 2006 regarding it as a firm step forward by member economies in meeting global classification standards. Ministers encouraged member economies to continue their efforts to implement the GHS with a view to having it fully implemented by the recommended target date of 2008. Ministers welcomed the extension of the Dialogue's work program to include Rules of Origin and Emergency Response.

2.3. Non-Ferrous Metal Dialogue

Ministers welcomed the tangible outcomes of the Second Non-Ferrous Metals Dialogue (NFMD), which resulted in production of a clear-cut definition of non-ferrous metals and in adoption of the Action Plan for 2006 and beyond. Ministers also appreciated the efforts to achieve the primary goal of the NFMD, to bring together public and private sector representatives to promote cooperation and interaction in the area of trade-related regulatory policy and facilitate non-ferrous metals trade, competitiveness and sustainable development of the industry in the Asia-Pacific region.

2.4. Life Science Innovation Forum (LSIF)

Ministers welcomed the outcomes of the 4th Life Sciences Innovation Forum (LSIF). They endorsed the recommendation for a dialogue in 2007 between LSIF experts and finance and health Senior Officials to discuss innovative approaches to the health dimensions of economic challenges in the region, including the risk of infectious disease pandemic, chronic disease and ageing populations. Ministers welcomed and endorsed the establishment of public-private partnerships to develop pilot projects for disease management and wellness; identify and address enablers of investment in life sciences innovation in health systems; and assess research capacities with a view to developing scientific exchanges and training as a means of enhancing the region's leadership in life sciences innovation and assuring health and economic development. Ministers encouraged broad participation in the projects approved for implementation in 2007, including harmonization to international best practices and training to combat the counterfeiting of drugs and medical devices.

3. High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB)

Ministers acknowledged the value of agricultural biotechnology in improving agricultural productivity, enhancing food security, and protecting environmental resources. Ministers welcomed the outcomes of the 5th Meeting of the APEC High Level Policy Dialogue on Agricultural Biotechnology. Ministers noted the Policy Dialogue's recommendation that the Cartagena Protocol on Biosafety deserves continued attention regarding ways in which Parties can meet their Protocol obligations and also facilitate trade in living modified organisms.

Ministers also acknowledged the endorsement of the HLPDAB 2007-2009 Work Plan and encouraged APEC economies to participate in upcoming activities coordinated by the HLPDAB, including a farmer-to-farmer workshop and the development of an Investment Toolkit to share information on the elements necessary for promoting the creation of a biotechnology sector.

X. CULTURAL EXCHANGE AND TOURISM COOPERATION

1. Cultural Exchange and Related Issues

Ministers welcomed the successful holding of the APEC Film Festival 2006 in Ha Noi, Da Nang and Ho Chi Minh City in October and the APEC Photography Exhibition in Ha Noi during the APEC Leaders' Week 2006. They noted that these events contributed to promoting mutual understanding, friendship and the sense of community among APEC member

economies and encouraged consideration be given to the organization of similar activities in the future.

Ministers endorsed the APEC Inter-Cultural and Faith Initiative proposed by Indonesia with Russia and the United States being co-sponsors and welcomed the outcomes of the APEC Inter-Cultural and Faith Symposium held in Yogyakarta, Indonesia on 5-6 October. They emphasized the need for APEC to consider initiatives that provide opportunities for its members with different cultural and faith backgrounds to develop social interaction and achieve mutual understanding, acceptance and trust, which are essential to promote trade and investment in the region.

Ministers also noted that APEC initiatives in this area should add value to existing interfaith and inter-cultural dialogues. They stressed the need to realize the potential of local communities in the APEC region by, among others, promoting local knowledge and principles that inspire innovation and productivity. They agreed to work in concert to eliminating any form of extremism and terrorism. Ministers agreed to address social, legal, governance, and economic challenges to promote a harmonious community in the region.

2. Tourism Cooperation

Reaffirming the importance of tourism as one of the prioritized areas for regional cooperation, Ministers welcomed the outcomes of the 28th meeting of the Tourism Working Group (TWG) held in May 2006 in Shizuoka, Japan and its 29th meeting in October 2006 in Hoi An, Viet Nam. They appreciated the Tourism Minister-endorsed initiatives to enhance tourism in the region by encouraging the private sector to participate in the APEC Tourism Investment Forum, by studying the possibility for tour packages and new direct air linkages among cultural heritage sites and major tourism destinations in member economies, and by promoting the APEC Tourism Fair, to be held on the voluntary basis, to encourage international visitors. Additionally, Ministers encouraged the TWG to identify impediments to growth of travel and tourism and develop policies that foster the creation of a positive business climate. In recognizing that tourism is the largest employer in the region and that it is vulnerable to the damaging effects of pandemics, natural disasters and terrorist attacks, Ministers stressed the importance to facilitating the swift recovery of this industry from any disruption caused by those factors.

XI. YOUTH COOPERATION

Ministers encouraged younger generations in member economies to be actively involved in APEC issues so as to deepen the concept of the APEC community and lay a foundation for cooperation among our future leaders. Ministers welcomed the success of the APEC 2006 Youth Forum under the theme “Strengthening cooperation among the youth in the Asia-Pacific region for sustainable development” that was held in August. Ministers encouraged economies to implement the Forum’s recommendations, especially to organize an APEC Young Volunteers’ Workshop in 2007 in Viet Nam.

XII. GENDER INTEGRATION

Ministers reconfirmed that the integration of gender in all APEC policies and projects was a cross-cutting theme in APEC and that promoting the increased involvement of women in APEC is an effective measure which will contribute significantly to the goal of achieving a dynamic community for sustainable development and prosperity.

Ministers recognized the benefits and need to further facilitate the implementation of the Framework for the Integration of Women in APEC and encouraged economies to periodically review its implementation in order to highlight issues for consideration at ministerial level.

Ministers requested economies and fora to allocate necessary funds and resources for gender-mainstreaming activities in their work and to encourage women to participate in decision-making processes, projects/programs implementation as well as in workshops/conferences or other activities.

Minister welcomed the results of the 11th Women Leaders' Network on 19-22 September 2006 in Ha Noi, Viet Nam under the theme "Towards a Dynamic Community: Enhancing the Competitiveness of Women's Business for Sustainable Development and Prosperity". Ministers encouraged economies to work individually and collectively on ways to promote women's participation in the digital economy and women empowerment, first of all, in micro and small & medium enterprises.

Ministers welcomed the recommendations from the second CTI Seminar on Supporting and Enhancing Capacity for Women Exporters. Recognizing the importance of women in the global markets and supply chain, Ministers recognized the need for further research on the differential impact of RTAs/FTAs as well as the DDA on women, and supported undertaking research to ensure the full participation of women in the global economy.

XIII. APEC REFORM

Ministers endorsed the APEC Reform 2006 Deliverables paper prepared by Senior Officials under the themes of improving operational efficiency, promoting operational linkage, and enhancing operational dynamism. They commended the substantial reform measures incorporated in the paper to strengthen the Secretariat, improve linkages and efficiency of APEC processes, establish closer integration with ABAC and ensure a more targeted policy agenda. They welcomed agreement on appointing a Chief Operating Officer to the APEC Secretariat and instructed Senior Officials to discuss details and implement this proposal in 2007 and to further discuss the appointment of an Executive Director for a fixed term. Ministers commended Japan's initiative to help establish a policy and evaluation Support Unit in the Secretariat and instructed Senior Officials to further discuss the Support Unit as a priority reform issue in 2007.

Ministers welcomed the work of the Senior Officials' Steering Committee on ECOTECH (SCE) to rationalize APEC fora, prioritize project proposals, and contribute to better coordination among sub-fora, working groups and task forces. Ministers instructed Senior Officials to work with the APEC Secretariat to ensure early implementation of the reform measures in 2007.

Ministers reaffirmed their commitment to continuing reform of APEC to ensure APEC remains relevant, effective and responsive to the needs of member economies and the

business community.

XIV. SECTORAL MINISTERIAL MEETINGS

1. APEC Ministerial Meeting on Avian and Influenza Pandemics

Ministers noted with satisfaction the successful outcome of the Ministerial Meeting on Avian and Influenza Pandemics held on 4-6 May 2006 in Da Nang, Viet Nam and welcomed the APEC Action Plan on the Prevention and Response to Avian and Influenza Pandemics. Ministers encouraged individual and collective efforts from member economies to implement the Action Plan, viewing this as an important contribution to realizing the Leaders' Initiative on Preparing for and Mitigating an Influenza Pandemic endorsed in 2005.

2. APEC Finance Ministers' Meeting

Ministers welcomed the outcome of the 13th APEC Finance Ministers' Meeting (FMM), which recognized the importance of joint action towards an orderly readjustment of global imbalances in a way that sustains strong regional and global economic growth. Ministers supported the FMM's consensus that achieving this is a shared responsibility for which APEC economies need to promote fiscal sustainability, price and exchange rate flexibility, and financial reforms. Ministers also welcomed the FMM's deliberations on appropriate policies and cooperation activities to promote efficient and sustainable revenue systems and reform the financial sector to attract capital flows. Ministers recognized the FMM's emphasis on the importance of an open, well-supervised, and systemically sound financial services sector and noted that the IMF and World Bank's Financial Sector Assessment Program can help prioritize reforms.

Ministers noted the outcome of reviewing the Finance Ministers' Process and supported the Updated Strategic Goals and Ha Noi Medium-Term Agenda, which represent the commitment to further enhance the quality and effectiveness of the Finance Ministers' Process in order to complement the APEC Leaders' Process and successfully achieve the Bogor Goals.

Minister welcomed the FMM's commitment to international standards set forth by the Financial Action Task Force (FATF) to combat terrorist financing, money laundering, and other abuses of members' financial systems and the call for FATF to make efforts as appropriate in enlarging the membership of the Task Force. Ministers also acknowledged Finance Ministers' calling for the WTO member economies to restart the multilateral negotiations of the Doha Development Round to seek comprehensive regional and free trade agreements, and to conclude the long overdue effort to reform the IMF's governance structure so that economies' voice and quota shares better reflect the world economy, including the fast growth of many emerging economies.

3. APEC Tourism Ministerial Meeting

Ministers welcomed the outcomes of the 4th APEC Tourism Ministers' Meeting held in Hoi An, Viet Nam in October, particularly the adoption of the Hoi An Declaration on Tourism which reaffirmed members' commitment to promote sustainable tourism and investment in the region, and highlighted the measures adopted to enhance regional cooperation for a

vibrant tourism industry.

Ministers also welcomed the Meeting's deliberations on guidelines for APEC tourism cooperation in future, including training and human resource development in tourism; standardizing tourism services and occupational skills; harmonizing procedures for travel facilitation; application of the Tourism Satellite Account; smart public-private partnership in tourism development; tourism infrastructure development; improvement of quality tourism products and services; tourism marketing and promotion; and the protection of tourism resources for the sustainability of tourism development.

4. APEC SME Ministerial Meeting

Ministers noted efforts by SME Ministers in promoting the development of SME in APEC economies and welcomed the outcomes of the 13th APEC Ministerial Meeting on SMEs held in Ha Noi in September, in particular the adoption of the Ha Noi Declaration on Strengthening SME Competitiveness for Trade and Investment, which identified areas for improvement and set out actions to strengthen SMEs' competitiveness.

XV. APEC SECRETARIAT

ACMS and AIMP

Ministers welcomed the official launch by the APEC Secretariat of the APEC Information Management Portal (AIMP) and, noting the benefits accrued from the system, encouraged all APEC members and fora to make full use of the AIMP.

XVI. OFFICIAL OBSERVERS

Ministers welcomed APEC's interaction with its Official Observers, namely the ASEAN Secretariat, the Pacific Economic Cooperation Council (PECC) and the Pacific Islands Forum (PIF), and noted their contributions to APEC as a whole.

XVII. FUTURE MEETINGS

Ministers noted the preparations for APEC 2007 by Australia. They noted that future APEC Ministerial Meetings would be held in Peru in 2008, Singapore in 2009 and Japan in 2010.

XVIII. APPROVAL OF SOM REPORT

Ministers approved the SOM report, including the decision points therein.