

THE NINETEENTH APEC MINISTERIAL MEETING
Sydney, Australia
5-6 September 2007

Joint Statement

We, the APEC Ministers¹, met on 5-6 September in Sydney to participate in the 19th Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting.

The meeting was co-chaired by the Hon Alexander Downer MP, Minister for Foreign Affairs of Australia and the Hon Warren Truss MP, Minister for Trade of Australia. We welcomed the participation in the meeting of the APEC Business Advisory Council (ABAC) and the APEC Official Observers.²

Under the theme of “strengthening our community, building a sustainable future”, we reviewed developments in the region, the achievements we have made this year and the challenges facing our future.

The Asia-Pacific region remains the engine of world growth. Incomes are rising, poverty is declining, employment is growing, investment is increasing and trade is expanding. Growth in the past year has been solid and is expected to continue in 2008. However to sustain this momentum, we need to address the challenges that face us in the area of global trade imbalances, protectionism, urbanisation, demographic changes, environment, energy, food safety, terrorism, crime, governance, women’s empowerment, pandemics and 21st century skills. By facilitating economic growth, intensifying economic and technical cooperation, strengthening our integration and enhancing our sense of community, we will work actively in APEC to create greater prosperity in the region.

Promoting prosperity through a commitment to trade and economic reform

- *Continuing support for the WTO and the multilateral trading system*

An open, rules-based, multilateral trading system under the World Trade Organization (WTO), and the successful conclusion of the Doha Development Agenda (DDA), with an ambitious and balanced outcome, provides the best means for sustaining economic growth.

¹ 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

² The Pacific Economic Cooperation Council, the Secretariat of the Association of South-East Asian Nations, the Pacific Islands Forum

We reviewed with WTO Director-General, Pascal Lamy, the outlook for the DDA and in the light of this discussion recommended that Leaders adopt a stand-alone statement on the negotiations. We instructed our Geneva WTO representatives to work through the APEC caucus to provide active support for the Director-General and the negotiating group chairs in their efforts to broker agreement and bring the negotiations to a successful conclusion.

We welcomed progress in negotiations of the Russian Federation's accession to the WTO and underlined the importance of efforts to expedite these negotiations.

We endorsed the 2007 Committee on Trade and Investment (CTI) Annual Report to Ministers, which provides an overview of CTI's work program in pursuit of advancing the Bogor Goals of free and open trade and investment in the Asia-Pacific region.

- *Regional Economic Integration*

We discussed the impact of regional economic growth and development on the accelerating process of economic integration. We finalised and submitted to our Leaders a comprehensive report on strengthening regional economic integration, including on a Free Trade Area of the Asia-Pacific as a long-term prospect. This report outlines a wide range of practical actions that APEC member economies can take to promote and reinforce the integration taking place in the region. It builds on our shared commitment to achieving economic growth and prosperity through concrete actions supported by technical assistance and capacity-building programs.

- *Regional Trade Agreements/Free Trade Agreements (RTAs/FTAs)*

High-quality and comprehensive RTAs/FTAs can advance economic openness in the region and strengthen regional economic integration. They can also serve as building blocks for the further development of the multilateral trading system and in realising APEC's Bogor Goals. We reaffirmed the importance of the model measures for RTA/FTA chapters as a capacity-building tool and non-binding reference, and endorsed model measures for three additional RTA/FTA chapters. Model measures have now been developed for ten RTA/FTA chapters. We aim to complete this work next year.

In response to business community concerns, we agreed to explore with business the scope for rationalising RTA/FTA preferential rules of origin and other relevant provisions related to rules of origin. We instructed officials to report to next year's meeting of Ministers Responsible for Trade (MRT) on this issue.

- *Individual Action Plans (IAPs) and Collective Action Plans (CAPs)*

We welcomed the SOM Chair's 2007 IAP Summary Report: the progress economies are making towards reaching the Bogor Goals. We also welcomed the seven completed 2007 IAP peer reviews (Australia; China; Hong Kong, China; Japan; Korea, New Zealand and Chinese Taipei) as well as further refinements to the IAP peer review process. We endorsed the revised CAPs being implemented by all APEC member economies in pursuit of APEC's free trade and investment goals.

- *Trade Facilitation*

We welcomed APEC's second Trade Facilitation Action Plan endorsed at the July MRT. This plan sets out a framework and timetable for achieving a further five per cent reduction in trade transaction costs by 2010. It focuses on customs procedures, standards and conformance, e-commerce and mobility of business people. We welcomed its greater focus on collective actions, capacity building and its linkage with APEC's wider business facilitation agenda. We agreed to work closely with the Asia-Pacific business community, including ABAC, in its implementation.

We launched a Data Privacy Pathfinder initiative which will enable stakeholders (officials, regulators, industry and consumers) to work together to better protect private information in the APEC region and build confidence and trust in electronic commerce. The Pathfinder will support business needs, reduce compliance costs, provide consumers with effective remedies, allow regulators to operate efficiently, and minimise regulatory burdens. Thirteen APEC members (Australia; Canada; Chile; Hong Kong, China; Japan; Korea; Mexico; New Zealand; Peru; Chinese Taipei; Thailand; United States and Viet Nam) have agreed to participate and other members are actively considering joining the initiative.

We agreed to expedite work to support the implementation of international trade "Single Windows" across APEC, with a view to the eventual interoperability of systems through the use of recognised international instruments and standards. "Single Windows" allow businesses involved in trade and transport to electronically submit standardised information and documents at a single entry point to fulfil all import, export and transit related regulatory requirements.

We are pleased that the United States and Mexico have joined the APEC Business Travel Card (ABTC) scheme, with the United States as a transitional member. There are now nineteen member economies who are participants. We noted the significant benefit of the ABTC to business and urged those economies not yet part of the scheme to take measures to join as soon as possible.

We noted the conclusions of the study commissioned for APEC from the World Bank on "Transparency and Trade Facilitation in the Asia-Pacific: Estimating the Gains from Reform". The study indicates that the collective trade performance of APEC economies would be boosted by a massive USD\$148 billion from greater trade policy predictability and simplification. We will consider the findings in the further development of APEC's trade facilitation and transparency agenda.

We welcomed continuing efforts to expand collaboration in dealing with issues of electronic security, to build confidence in the use of electronic networks, and to support policy and regulatory reforms that facilitate competition and the expanded reach of networks.

- *Intellectual Property Rights and the Digital Economy*

We continue our efforts to strengthen protection and enforcement of intellectual property rights (IPR) in the region; an endeavour that fosters the development of knowledge-based economies, expands investment opportunities, and promotes economic growth. We also acknowledged the importance of a comprehensive and balanced intellectual property system, as well as an environment that encourages creation and innovation and provides the tools for successful management and exploitation of IPR.

We welcomed the progress APEC has achieved this year on the IPR front, including the launch of the Cooperation Initiative on Patent Acquisition Procedures, the development of the Best Practices Paper on Innovative Techniques for IPR Border Enforcement, and the creation of the IPR Guidelines on Capacity Building. We welcomed APEC's attention to satellite and cable signal theft and called for APEC, in accordance with member economies' respective international obligations and legal systems, to explore ways to effectively address this problem, which harms copyright owners and the broadcasting and cable industries. We also agreed to continued efforts by APEC economies to combat the sale of counterfeit and pirated goods at markets involved in this activity and to address the challenge this represents to IPR protection around the world. We urged continuing implementation of the APEC Anti-Counterfeiting and Piracy Initiative and the six subsequent IPR Guidelines and agreed to undertake further work to strengthen IPR protection and enforcement.

We agreed to continue work on trade and the digital economy as a means to encourage competition, promote efficiency, and spur innovation. We encouraged further participation in the Pathfinder on Technology Choice Principles. We reiterated the importance of the Information Technology Agreement (ITA) in promoting trade, jobs and investment in the IT sector and

encouraged closer cooperation to ensure that duty-free treatment on all ITA-covered products is maintained.

- *Investment*

We discussed the critical importance that domestic and foreign investment can play in promoting further economic growth and development and noted the conclusions from the recent meeting of APEC Finance Ministers on ways to strengthen investment in the region.

We welcomed the analytical and survey work undertaken in APEC and the policy dialogue conducted in collaboration with ABAC and international organisations this year to identify the barriers in the region that have the greatest impact on investment. We instructed officials to prepare an Investment Facilitation Action Plan for 2008-2010 for consideration at the 2008 MRT meeting. In order to further the Bogor Goals and deepen regional economic integration, the plan will provide greater coherence to APEC's investment work, promote better understanding of the elements of a sound investment policy regime and address identified capacity building needs. The plan will recognise the importance of further public-private sector dialogue.

- *Anti-Corruption and Transparency*

We attach high priority to fighting corruption. Corruption poses a threat to economic growth by undermining the rule of law, distorting markets and deterring investment. We endorsed a model Code of Conduct for Business, a model Code of Conduct Principles for Public Officials and complementary Anti-Corruption Principles for the Private and Public Sectors. We encouraged all economies to implement these codes and welcomed agreement by Australia, Chile and Viet Nam to pilot the Code of Conduct for Business in their small and medium enterprise (SME) sectors. We also urged those member economies yet to ratify the United Nations Convention against Corruption to quickly do so, where appropriate.

We endorsed the actions for Fighting Corruption through Improved International Legal Cooperation, which reaffirms our strong commitment to prosecute acts of corruption and to strengthening cooperation on extradition, mutual legal assistance and the recovery and return of proceeds of corruption.

We welcomed the report on APEC economies' implementation of the APEC Transparency Standards and pledged to close those remaining gaps in implementation, including through targeted capacity building activities and other initiatives, where appropriate.

- *Improving the Business Environment and Structural Reform*

We discussed the importance of structural reform in realising the full benefits of trade and investment liberalisation and improving the business climate in the region.

We endorsed a detailed and ambitious forward work program covering each of the five themes identified in the Leaders' Agenda to Implement Structural Reform - regulatory reform, competition policy, corporate governance, public sector governance and strengthening economic and legal infrastructure. We noted that this work program strongly complements the call by APEC Finance Ministers for continued structural reform in order to improve the investment climate in the region, promote regional economic integration and underpin sustainable economic growth. We further agreed that structural reform measures should be tailored to the circumstances of each economy. We welcomed the offer by Australia to convene a meeting on structural reform at ministerial-level in 2008.

We endorsed the 2007 APEC Economic Policy Report and welcomed its focus on public sector governance and on using institutions to support structural reform. We agreed that APEC can help strengthen existing institutions that promote and implement structural reform and should develop a capacity to support member economy efforts to implement reform and thereby improve competitiveness. We called for further work on this issue in 2008, including in co-operation with relevant research networks in the region.

The SME sector is an important driver of growth for all of our economies and we reiterated the importance of further work to promote SME competitiveness and private sector development. In this regard, we welcomed the Private Sector Development Agenda launched this year by the SME Working Group to assist the development of the SME sector. The Agenda promotes better regulatory and business practices by using the World Bank's Ease of Doing Business indicators as a guide to best practice. We welcomed the involvement of other APEC fora to accelerate this important work.

- *Economic and Technical Cooperation (ECOTECH) and Capacity Building*

Economic and technical cooperation remains a vital pillar of APEC. We endorsed the 2007 APEC Senior Officials' Report on Economic and Technical Cooperation, highlighting the priorities and achievements of the Working Groups and Taskforces. We noted outcomes from a broad range of economic and technical capacity building initiatives across APEC that will help realise our goal of bridging development gaps among economies. We reiterated the importance of continued capacity building work to APEC's agenda, including in the areas of SME competitiveness, private sector development and human resources development.

We commended work to revitalise the SOM Steering Committee on ECOTECH (SCE) policy agenda and encouraged its continued strategic guidance to APEC's economic and technical capacity building activities. We acknowledged ongoing efforts to strengthen the coordination between APEC fora and to streamline operating processes as part of the broader program of APEC reform. In this context, we endorsed the new Guidelines for Lead Shepherds/Chairs of APEC Working Groups and SOM Taskforces, and the Guidelines for the establishment of new APEC fora.

We welcomed the implementation of the 2006 Review of APEC Fora which will ensure greater efficiency in the use of scarce resources. We endorsed the establishment of a Health Working Group and a Mining Task Force and the incorporation of the Working Group on Trade Promotion into the SME Working Group and the Social Safety Net Capacity Building Network into the Human Resources Development Working Group. We recognised the importance of the ongoing program of independent assessments to ensure APEC fora are strategic and effective. We encouraged further fora review and streamlining by the SCE.

We endorsed the efforts by officials to develop greater collaboration, as appropriate, with international organisations on research and policy analysis. We encouraged fora to further engage with ABAC on their workplans and mandates, where appropriate.

We welcomed the voluntary financial contribution of member economies to facilitate APEC's capacity building efforts. In this regard, we welcomed new contributions from the United States to the Trade and Investment Liberalisation Fund (TILF) and APEC Support Fund (ASF) in 2007 of US\$2.3 million, a commitment from Australia to the ASF of A\$4.5 million, a commitment by Russia to the ASF of US\$500,000 and the ongoing TILF contribution by Japan, US\$36 million since 1997.

We recognised that the digital capability of APEC member economies is crucial in advancing APEC's work and the equitable development of the region. We welcomed the contribution made by the APEC Digital Opportunity Centre in this regard and encouraged member economies to further cooperate in relevant capacity building activities.

We recognised that healthy ocean and coastal environments play a crucial role in the prosperity of the region. In this regard, we welcomed the work undertaken this year on the implementation of the sustainable development framework, the Bali Plan of Action, to address marine pollution, illegal fishing, overcapacity and adaptation to climate change. We looked forward to future work that will help to conserve marine and coastal resources, including the safeguarding of coral reefs.

We welcomed the deepening of our work on human resources development, recognising that the APEC workforce should be equipped with 21st century skills so that it can adapt more quickly to a more open and competitive marketplace.

Enhancing Human Security in the Asia-Pacific

We reviewed progress in APEC's ongoing work on human security, noting with deep regret the tragic loss of human life from recent natural disasters and acts of terrorism. Threats from terrorism, natural disasters, contamination of the food supply and pandemics, such as avian influenza, have the potential to undermine our efforts to sustain economic growth, raise living standards and reduce poverty in the region. We agreed on the importance of dealing with trans-boundary threats in a comprehensive risk management framework. We agreed that APEC's human security agenda should remain closely attuned to the needs of business.

- Counter Terrorism and Secure Trade

We agreed that recurring terrorist activities in the region and elsewhere demonstrates that terrorism remains a persistent, evolving and long-term threat to our prosperity and the security of our people. Terrorism and the proliferation of weapons of mass destruction continue to challenge APEC's vision of free, open and prosperous economies and we reaffirmed our commitments to meet these challenges. Business has a significant interest in measures to mitigate these risks.

We welcomed the outcomes of the 5th APEC Secure Trade in the APEC Region (STAR V) Conference. The STAR initiative underscores the close cooperation which is required with the private sector in order to achieve the complementary objectives of trade facilitation and security. STAR V highlighted the benefits businesses would derive from exploring the scope for improving the interoperability of supply chain security measures and improved information sharing between the public and private sectors in the region. Public-Private Partnerships were an important theme in counter-terrorism discussions.

We endorsed the voluntary APEC Food Defence Principles on prevention, preparedness, response, recovery and effective communication. These Principles will make an important contribution to international counter terrorism efforts to protect the food supply from deliberate contamination. We will continue our efforts to mitigate the terrorist threat to the food supply. We welcomed the successful completion of a capacity-building program to counter biological and chemical terrorism and underlined the continuing importance of vigilance in this area.

We welcomed APEC Transport Ministers' agreement to further capacity building to improve security in the region's airports, ports and land transport networks and for co-operative work to promote consistency of security measures and to contain costs. We encouraged continuing efforts to improve communication among APEC economies in the event of an emergency and welcomed the test of the Aviation Points of Contact Network. We acknowledged that securing our trade lanes is important for our continued prosperity and encouraged further work in this area. We welcomed progress towards the establishment of the APEC Port Services Network with the proposed opening of an office in Beijing.

We noted progress in the APEC Regional Movement Alert System by participating members, which can detect lost, stolen and counterfeit passports and prevent improper use of travel documents and encouraged member economies to consider participation when ready. We welcomed progress in the voluntary implementation of the APEC Framework for Secure Trade, leading to improved cargo security through cooperation between customs officials, and also progress made to launch and implement an initiative on the Protection of Critical Energy Infrastructure. We identified rail and mass transit security as an area for further capacity building in the APEC region.

We recognised that the disruption of trade through terrorist attack could have serious economic consequences. A study commissioned by Singapore has estimated the impact on APEC economies of the ripple effects of trade disruption arising from a major terrorist attack on the global supply chain to be in the order of US\$137 billion in lost GDP and US\$159 billion in reduced trade. To address this threat, we endorsed an APEC Trade Recovery Program (TRP) to help ensure that trade recovers as quickly as possible after a terrorist attack. We encourage member economies to explore TRP pilots on a voluntary basis. We welcomed strengthened cooperation in the area of counter-terrorism financing and affirmed our continuing commitment to fighting money laundering, terrorist financing, and other illicit financing. We will work closely with the Financial Action Task Force (FATF) to further this goal.

We commended reform of APEC Counter Terrorism Action Plans and the annual identification of capacity building opportunities to better focus APEC's cooperative efforts.

- *Food and other Product Safety*

We recognised the need to deepen our cooperation, improve on current standards and practices and strengthen scientific risk-based approaches to food safety and other products to facilitate trade and ensure the health and safety of our populations. In this regard, we welcomed agreement this year on the establishment of the APEC Food Safety Cooperation Forum, co-chaired by China and Australia. This initiative will assist our work to harmonise food

safety regulations with international standards, to improve health and food safety outcomes and to establish more effective communication networks. We agreed to develop a more robust and strategic approach to strengthening, prioritising and coordinating regional food safety, especially in regard to increasing capacity building activities. We instructed officials to explore ways to expand this work to include other products.

- *Emergency Preparedness*

Strengthening emergency preparedness is an abiding priority for APEC and promoting the economic benefits of investing in risk reduction is an important means to achieve this.

We agreed on the importance of strengthening our capacity to build community resilience and preparedness for emergencies and natural disasters. In this regard, we welcomed new initiatives to further cooperation between our senior emergency and disaster management officials, business and international partners to ensure we are able to respond in a timely and effective manner. We agreed on the importance of further building public-private partnerships in this area.

- *Health*

We discussed the importance of robust preparedness plans to mitigate the social and economic impact of a possible influenza pandemic. We reaffirmed our support for the World Health Organisation process of fully implementing the revised International Health Regulations (2005) to prevent, protect against, control and provide a public health response to the international spread of disease. We agreed to continue to support the World Health Organisation Global Influenza Surveillance Network (GISN), including through the timely sharing of influenza specimens and promoting transparent, fair and equitable access to vaccines and other benefits derived from the GISN.

We endorsed the APEC Functioning Economies in Times of Pandemic Guidelines. The guidelines, to be updated from time to time, will help improve regional capacity for appropriate emergency management and response planning. We recognised the significant progress achieved in implementing the APEC Action Plan on the Prevention and Response to Avian and Influenza pandemics, and called for continued cross-sectoral work and private sector engagement to further enhance regional preparedness. We welcomed development of the APEC Pandemic Flu Planning Guide for SMEs as a useful preparatory tool for business. Continuing to build capacity to prevent and respond to avian influenza and other emerging trans-boundary diseases, including at source in animals, will promote health security.

We re-affirmed our commitment to enhance cooperation within APEC and move towards the goal of universal access to HIV/AIDS prevention, treatment, care and support by 2010. We endorsed the Guidelines for Creating an Enabling Environment for Employers to Implement Effective Workplace Practices for People Living with HIV/AIDS.

- *Energy Security and Sustainability*

Climate change, energy security and clean development are of vital interest to APEC economies and will be a key theme for APEC Leaders when they meet in Sydney later this week.

We welcomed the initiatives proposed by APEC Energy Ministers to address the challenges of rapidly growing energy demand while minimising environmental effects. Key initiatives include: to progress the development of fossil energy technologies, particularly carbon capture and storage; to establish an APEC Energy Trade and Investment Study and Roundtable to identify barriers to energy trade and investment, and to develop a plan of action to help address these barriers; and to review the uptake and currency of APEC Best Practice Principles on: Accelerating Investment in Natural Gas Supplies, Infrastructure and Trading Networks in the APEC Region; Facilitating the Development of LNG Trade; Financing Energy Projects; and Natural Gas Trade.

We welcomed initiatives that encourage individual economies to set goals and formulate action plans for improving energy efficiency, including the development of a voluntary APEC Energy Peer Review Mechanism, strengthened sharing of information on energy efficiency policies and measures to promote energy efficient transport.

We agreed on the important role of market-based solutions in mobilising economy-wide efforts to address energy security and achieve sustained reductions in greenhouse gas emissions. We welcomed further work by APEC member economies to share experiences on the range of economic policy instruments for promoting energy efficiency and greenhouse gas reduction.

We recognised the importance of achieving oil security, including through improving data sharing. We encouraged efforts towards a diversified mix of energy sources to meet long-term development goals in the region. These include the use of natural gas, biofuels from sustainably farmed crops and residues, renewable energy and nuclear energy for interested economies. We welcomed the findings of the APEC Biofuels Task Force that biofuels from several crops are cost-competitive at current oil prices, that biofuels can lower greenhouse gas emissions, and that biofuels can displace a sizeable share of oil use over time.

We welcomed the promotion of broader energy cooperation, including with the International Energy Agency, which can enhance energy data collection and sharing of knowledge on energy issues. We further noted that Energy Ministers would receive advice on recommendations arising from meetings of regional nuclear safeguards experts.

We instructed officials to continue their work on environmental goods and services and explore ways to reduce trade barriers in this area. We agreed that market opening in the WTO would advance our climate and energy security goals.

Ensuring APEC is dynamic and responsive to developments in the Asia-Pacific

Further to the reform package adopted by APEC Leaders in 2006, we agreed on additional measures to strengthen APEC's institutional base to ensure its effectiveness and responsiveness to its stakeholders, including a 30 per cent increase in membership contributions from 2009 to help strengthen the Secretariat. This represents the first increase in the APEC budget since 1998. We affirmed our commitment to APEC reform and underscored that member economies' commitment to increasing membership contributions is linked to the continuation of processes to streamline and professionalise APEC's operations.

We recognised efforts to streamline and bolster APEC's operational capacity, including the appointment of a Chief Operating Officer in 2007, and measures to enhance project management skills and improve related processes.

We have agreed that the time has come to consider the appointment of an Executive Director for a fixed-term and instruct officials to develop proposed conditions, responsibilities and accountability mechanisms etc for our consideration in 2008.

We also agreed to examine ways to reduce the cost to host economies, including through holding more meetings at the APEC Secretariat in Singapore.

We encouraged closer cooperation between APEC and the Association of South East Asian Nations to advance common goals, particularly in the area of capacity building.

We agreed to establish a Policy Support Unit attached to the APEC Secretariat. The unit, to be funded by voluntary contributions, will provide analytical capacity, policy support and assist in coordinating related capacity building for APEC's trade, investment and economic reform agenda and related ECOTECH activities. A governance board will oversee the Policy Support Unit and its work program will be submitted to Senior Officials for endorsement.

We welcomed the refreshed APEC logo, which represents a unifying symbol of APEC and encouraged its use by APEC fora and host economies.

We welcomed the closer engagement between ABAC, Ministers and officials this year to progress work across the APEC agenda, including on support for the Doha negotiations, trade facilitation, regional economic integration, deepening of capital markets, structural reform and our human security agenda. We reaffirmed our commitment to APEC's goal of gender integration and increased involvement of women in APEC. We remain committed to enhancing women's economic empowerment across the region by enabling women exporters and entrepreneurs to access the benefits of the global trading system and welcome the continued and constructive input this year of the Women Leaders' Network to our work.

We commended the APEC industry dialogues' efforts to improve the business environment in our region. We welcomed work to facilitate customs procedures for low risk shippers and to enhance IPR awareness in the auto sector. We commended the work on standardised labelling of chemical products and efforts to reduce adverse trade impacts of EU chemical regulations. We also encouraged the development of best practice guidelines for chemical regulations. We supported on going work in life sciences to promote research, innovation, and regulatory reform and harmonisation, and to stem the flow of counterfeit medical products. We called for a study on the benefits of investment in health innovations.

We noted the outcomes of the APEC 2007 Sectoral Ministers Meetings. We endorsed the 2007 SOM Report on APEC's work program including the recommendations contained therein, noted the 2007 Annual Report of the APEC Secretariat Executive Director and approved the 2008 APEC Budget. We welcomed preparations for APEC 2008 in Peru and noted that preparations are underway for APEC 2009 in Singapore and APEC 2010 in Japan. We welcomed the announcement by Russia that it will host APEC in 2012. We looked forward to the possible announcement of the APEC host for 2011 in the coming days.