

## 2012 APEC Ministerial Meeting

Vladivostok, Russia | 05 - 06 September 2012



1. We, the APEC Ministers, met in Vladivostok, Russia on September 5-6, 2012 under the Chairmanship of Sergey Lavrov, Minister of Foreign Affairs, and Andrey Belousov, Minister of Economic Development.
2. Under the APEC 2012 theme of "Integrate to Grow, Innovate to Prosper" we reviewed the current state of affairs in the Asia-Pacific region, assessed the progress APEC has made this year, and discussed the way forward for APEC.
3. Still facing uncertainty in the global economy, the Asia-Pacific region continues to serve as a major engine for the world economy and a key driver for international trade and investment through its firm commitment to the Bogor Goals and regional economic integration (REI) agenda, including a Free Trade Area of the Asia Pacific (FTAAP). We reiterate our strong commitment to implement 2010 and 2011 Leaders' instructions to achieve balanced, inclusive, sustainable, innovative and secure growth, and to build a seamless regional economy by strengthening regional economic integration, expanding trade, promoting green growth, and advancing regulatory coherence. With these goals in mind, we discussed a number of outlined

below issues under the APEC priority areas for 2012.

4. We welcome the participation in the meeting of the APEC Business Advisory Council (ABAC), the Association of Southeast Asian Nations (ASEAN), the Pacific Economic Cooperation Council (PECC), the Pacific Islands Forum (PIF) and the APEC Secretariat, as well as Rufus Yerxa, Deputy Director-General of the World Trade Organization (WTO) and Viktor Khristenko, the Chairman of the Commission's Board of the Eurasian Economic Community.

## **Trade and Investment Liberalization, Regional Economic Integration**

### *Strengthening the multilateral trading system*

5. International trade makes a vital contribution to the creation of jobs and to strong, sustainable and balanced growth and development. All APEC economies now being members of the WTO underscores our confidence in the value of the rules-based system embodied in that organization. We remain strongly committed to supporting the WTO as essential for global economic growth and development. We reaffirm our commitment to strengthen this system. In line with the guidance from the WTO 8th Ministerial Conference and instructions from our Leaders in Honolulu, we direct our officials to continue employing different, fresh and credible negotiating approaches aimed at achieving a successful multilateral conclusion of Doha Round in accordance with its mandate. We are encouraged by the potential for nearer term outcomes including on trade facilitation and other development related issues.
6. With these commitments in mind it is important that we work to enhance the WTO's capabilities to combat protectionism, particularly the transparency and trade monitoring functions. We note with concern the IMF's downward projection for global economic growth for this and next year and the rise in protectionist instances around the world. These developments increase the urgency of further action to keep markets open. We reaffirm the commitment made by our leaders to extend to the end of 2015 their pledge to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO-inconsistent measures in all

areas, including those that stimulate exports. We remain committed to rollback the trade-distorting or protectionist measures introduced since the outset of the crisis and to continue to exercise maximum restraint in implementing measures that may be considered to be consistent with WTO provisions but have a significant protectionist effect and promptly rectify such measures, where implemented. We encourage the WTO to deepen its monitoring of protectionist measures.

7. We welcome the ongoing work of negotiations to expand the product coverage and membership of the WTO Information Technology Agreement (ITA). A successful expansion of the ITA would provide a much-needed boost to the global economy and contribute to APEC's core mission to open markets and facilitate regional trade. We, therefore, instruct our officials to work in earnest in order to swiftly achieve a good outcome of the negotiations. We also welcome new members that recently joined the ITA, and call on all APEC economies to join the agreement.

*Advancing trade and investment liberalization*

8. We welcome APEC's continued progress towards the Bogor Goals of free and open trade and investment in the Asia-Pacific region. Based on the Policy Support Unit work on the Bogor Goals Progress Report and Dashboard of indicators, we note that while APEC economies have made remarkable efforts to reduce barriers to trade and investment, more work needs to be done since progress has been uneven across areas and sectors. We remain committed to the achievement of the Bogor Goals. We support the capacity building programs in particular the implementation of the action plan framework on Capacity Building Needs Initiative (CBNI).
9. We endorse the 2012 Committee on Trade and Investment (CTI) Annual Report to Ministers, which provides an overview of APEC's work to advance APEC 2012 priorities related to its agenda on trade and investment liberalization and facilitation and strengthening REI.

### *Addressing next generation trade and investment issues*

10. We welcome the work on transparency issues in trade agreements as the 2012 next generation trade and investment issue and endorse the updated APEC Model Chapter on Transparency for Regional Trade Agreements/Free Trade Agreements (see Annex A) to be used as a guide by APEC economies as a significant contribution to our goal to improve the trading environment for our companies and workers, address non-tariff barriers, and contribute to an FTAAP.
11. We continue to address the next generation trade and investment issues identified in 2011, including capacity-building and sharing of best practices on global supply chains, facilitating and enhancing participation of small and medium-sized enterprises (SMEs) in global production chains, and promoting effective, non-discriminatory, and market-driven innovation policy. We note the results of “APEC Conference on Innovation and Trade” held in Singapore for promoting cross-border innovation through a free and open environment for trade and investment. We instruct officials to advance this work by producing innovation and trade implementation practices to assist economies in better implementing Leaders’ 2011 commitments in this area.
12. We instruct officials to further study in 2013 the impact of local content requirements on regional integration and economic growth, and to discuss possible ways through which economies can promote job creation and competitiveness goals in ways that enhance, rather than distort, trade.

### *Trade in services liberalization and facilitation*

13. We underline the importance of services trade liberalization and facilitation to achievement of the Bogor Goals of free and open trade and investment, and support continued work in this area. To that end, we support the Action Plan

on Statistics on Trade in Services, which provides an overarching framework for APEC's work to improve the collection and quality of services statistics in the region. We welcome the expansion of the APEC Services Trade Access Requirements (STAR) Database as a powerful, business-friendly tool to facilitate services trade in the APEC region. We also welcome the development of other tools and indicators helping to assess the level of liberalization in the services sector, including voluntary liberalization.

#### *Investment facilitation*

14. We confirm the importance of improving the investment climate in the APEC region including through continued implementation of the APEC Investment Facilitation Action Plan (IFAP), and welcome the progress achieved in developing a framework for measuring IFAP progress. We reaffirm our commitment to increase the flow of investments within the region, in particular by ensuring transparency in the development of investment regulations. We instruct officials to explore further steps to enhance mechanisms for the prevention and prompt resolution of investment disputes. We welcome the Public-Private Dialogue on Investment and instruct officials to hold similar dialogues on a regular basis. We commit to promote broader work within the public-private partnership framework.

#### *Regulatory coherence and cooperation*

15. We welcome the work to prevent unnecessary technical barriers to trade by promoting regulatory coherence and good regulatory practices in the Asia-Pacific region and to that end, commit to consider the impact of trade when developing regulations, consistent with the key recommendations of APEC's 2012 study on Member's Support of the WTO TBT Agreement Using Good Regulatory Practices. We instruct officials to make the focus of the 2013 Conference on Good Regulatory Practices conformity assessment in

regulation. We note economies progress towards implementing the 2011 APEC Leaders' commitment to strengthen implementation of good regulatory practices including by ensuring internal coordination of rule-making, assessing the impact of regulations, and conducting public consultations. We instruct officials to continue carrying out related capacity-building and information sharing activities, and note our earlier instruction to officials to conduct by SOM 3 2013 an assessment of economies' implementation of these actions by updating the "Baseline Study of Good Regulatory Practices in APEC Member Economies" summary report. We also note that economies are due to report back in 2013 on the implementation of good regulatory practices.

16. We welcome the work on regulatory approaches for smart grid investment and deployment, enhancing the performance of energy efficiency of green buildings, and support future work on solar technologies. We also welcome development and implementation of a roadmap to ensure the quality and integrity of the medical products supply chains and availability of safe and effective medical products to our citizens. We instruct officials to continue the work on implementation of the APEC Regulatory Cooperation Plan and to promote further cross-fora collaboration.

17. Taking into account that APEC economies are among the main producers and consumers of metals, we believe that recognition of metal characteristics in global and regional chemicals management must be considered in dialogues with economies inside and outside the region. We confirm that the development of legislation and regulation pertaining to metals and their alloys must be transparent, based on sound science, should be no more trade restrictive than necessary, and should take into account the consequences of such regulations. Failure to do so may have an unnecessarily negative impact on economic growth, living standards, the environment and the protection of human health and development. We welcome work to implement the Globally Harmonized System for Classification and Labeling of Chemicals, and instruct officials to continue work to promote regulatory cooperation and capacity, enhance transparency in regulatory processes while at the same time protecting business confidentiality, facilitate data exchange, and contribute to the international chemicals agenda.

### *Promoting information and communications technologies*

18. We reaffirm the importance and need for confidence and trust in electronic environments to allow greater interaction among governments, businesses and consumers, as well as between individuals. We appreciate the promotion of trust and confidence in electronic environments globally by secure cross-border flows of information, including electronic documents. We support the APEC work to expand the information and communications technology (ICT) literacy, including by fostering a dialogue with the ICT sector representatives. We also encourage the cooperation of member economies to improve disaster preparedness, response and recovery through the development of ICT and promotion of appropriate systems and technologies.

### *Implementing Cross-Border Privacy Rules*

19. We welcome the APEC work to fulfill the 2011 APEC Leaders' commitment to implement the Cross Border Privacy Rules (CBPR) System in order to reduce barriers to information flows, enhance consumer privacy, and promote interoperability across regional data privacy regimes. We look forward to implementation of the CBPR, including through discussion on the issues of comparability and potential interoperability between the European Union Binding Corporate Rules and APEC CBPR System.

### *Promoting trade in environmental goods*

20. This year, we made considerable progress towards implementing the 2011 Leaders' commitments to promote trade and investment in environmental goods and services, as a key part of our green growth and sustainable development agenda. We dedicated all available resources to fulfill our

Leaders' instruction in 2011 to develop an APEC List of Environmental Goods that directly and positively contribute to our green growth and sustainable development objectives. We welcome and recommend our Leaders to endorse the list and reaffirm our resolve to reduce by the end of 2015 our applied tariff rates to five per cent or less on the goods included on this list, taking into account economies' economic circumstances without prejudice to APEC economies' positions in the WTO.

### *Promoting green growth*

21. We are committed to strengthening regional cooperation on trade and environmental matters. We highlight the importance of further work to advance our shared green growth objectives and enhance mutual supportiveness between trade and environmental policies, including through the promotion of international standards, transparency and information exchange among economies on environmental measures and requirements which could have significant trade effects, as well as to consider trade and development objectives alongside environmental protection in the development of environmental measures. We welcome the outcome of the APEC Meeting of Ministers Responsible for Environment, in particular their anticipation for the future role of the Global Green Growth Institute in assisting APEC economies to achieve sustainable development through green growth.
  
22. We recognize the importance of improving energy efficiency. We welcome work on regulatory cooperation and convergence to facilitate the robust deployment of new automotive technologies, such as electric vehicles and vehicle to vehicle and vehicle to infrastructure communications. Given the importance of these new technologies to improving safety and reducing traffic congestion and emissions, we instruct officials to continue to share updates on their policy approaches to facilitate the diffusion of advanced technology and alternative-fueled motor vehicles. We welcome progress made by member economies to facilitate trade in remanufactured goods and urge officials to continue compiling economies' tariff and non-tariff measures concerning goods that are not newly manufactured. We look forward to the ongoing capacity-building workshops and to the further development of



resource materials on remanufacturing, which will assist economies in joining the Pathfinder on Facilitating Trade in Remanufactured Goods.

23. We note the importance of conservation of biological diversity, sustainable use of natural resources, including land and water resources and trans-boundary watercourses, combating cross-border pollution and taking measures to mitigate and adapt to climate change, and increase renewable energy use – all of which are essential to achieving our economic and environmental goals accounting economies' capabilities. We commend work to combat illicit trade and corruption associated with environmental protection and natural resources. We note the importance of forest conservation, promoting trade in legally harvested forest products, sustainable forest management and rehabilitation, and commend work that has been done this year to combat illegal logging and associated trade. We are committed to combating illegal wildlife trafficking, illegal, unreported and unregulated (IUU) fishing and associated trade by strengthening international cooperation, capacity building, and enforcement efforts. We commit to take steps to curb illegal supply and demand for wildlife as well as to enhance sustainable management and conservation of wildlife populations.

#### *Strengthening energy security*

24. We commend the work of APEC in addressing our region's energy security challenges. Noting the APEC region's growing demand for energy, we confirm the importance of free and open energy trade markets and transparent investment regimes to advance regional energy security, economic growth and the prosperity of the APEC region. Broadening the region's energy mix will also make a major contribution to regional energy security. While recognizing the important role fossil fuels will continue to play in our region's energy mix, the increased production and trade in natural gas can advance our Green Growth Agenda in the transition to a lower carbon economy and sustainable growth objectives. The safe and secure use of nuclear energy by interested economies will also contribute to broadening the region's energy mix. At the same time we emphasize the necessity to rationalize and phase out inefficient fossil-fuel subsidies that encourage wasteful consumption. We

also welcome the activities to improve the response to oil and gas emergency situations in the APEC region. We remain vigilant of the substantial risks posed by elevated oil prices and welcome appropriate action by the International Energy Agency to ensure that market is fully and timely supplied.

### *Improving financial literacy*

25. We recognize the importance of financial literacy as an essential life skill for everyone in the 21st century and an important component of any economy's efforts that will effectively support economic and financial stability, inclusive development and individual and families wellbeing. We recognize the importance of the OECD/INFE High-level Principles on National Strategies for Financial Education endorsed by G20 Leaders and therefore welcome the development and implementation of economy-wide strategies by APEC economies, taking into account economy-wide, regional and local circumstances. As one of the key priorities, we recognize the importance of financial education for future generations, in particular, through the establishment of tailored and dedicated learning frameworks and programmes adapted to students' needs and assessing and expanding approaches proven effective. Toward this end we welcome the OECD/INFE Guidelines for Financial Education in Schools and encourage APEC economies to consider their use. We also encourage the APEC economies to consider the participation in the Financial Literacy Measurement Programme for International Students Assessments (PISA) in 2015.

### *Promoting structural reforms agenda*

26. We welcome further progress on implementing the APEC New Strategy for Structural Reform (ANSSR) endorsed in 2010, including conducting a mid-term assessment in 2013 to track ANSSR implementation.

## **Strengthening Food Security**

### *Implementing the Kazan Declaration on APEC Food Security*

27. We reaffirm our commitment to ensure regional and global food security. We welcome the endorsement of the Kazan Declaration on APEC Food Security at the Second Ministerial Meeting on Food Security held in May 2012 in Kazan, Russia and reaffirm the APEC Ministers Responsible for Food Security's commitment to strengthen food security through promoting open and transparent markets, increasing sustainable agricultural production and productivity, considering the diversity of environmental conditions world-wide and positive externalities of agriculture, conducting joint research and development, supporting agricultural technology dissemination, enhancing food safety and quality, facilitating market oriented trade and developing food markets and related infrastructure, reducing post-harvest losses along the entire food supply chain, improving access to food for vulnerable groups of the population, including those facing an emergency due to natural and anthropogenic disasters, and working towards sustainable management of ocean and marine ecosystems and combating illegal, unreported and unregulated (IUU) fishing and associated trade. Recognizing that bans and other restrictions on the export of food may cause price volatility, especially for economies that rely on imports of staple products, we reconfirm the commitments against protectionism made by APEC Leaders. Bearing in mind the contribution of the World Food Program (WFP) in regard to situations of food security crisis, we also reaffirm our commitment to remove restrictions and extraordinary taxes on food purchased for non-commercial humanitarian purposes.

### *Sustainable agriculture*

28. Given the complexity and cross-cutting nature of food security, we emphasize the need to achieve sustainable agricultural growth. In pursuing this goal, we

will take concrete actions to boost investment in agriculture while actively adopting existing and innovative agricultural technologies. We commit to create an enabling environment that encourages increased public and private investment in agriculture, take note of the positive role of foreign direct investment on increasing agricultural production. In doing so, we appreciate the Principles for Responsible Agricultural Investment (PRAI) elaborated by the World Bank, FAO, IFAD and UNCTAD, support the ongoing extensive consultations on these principles, and welcomed the approval of the Voluntary Guidelines for the Responsible Governance of Tenure of Land, Fisheries and Forests (VG). We welcome the work being done under the Global Research Alliance on agriculture and climate change.

#### *Policy Partnership on Food Security*

29. We commend the joint efforts of the APEC economies and business communities to establish the APEC Policy Partnership on Food Security (PPFS), a high-level mechanism to ensure the policy and technical cooperation necessary to achieve food security in the region. We support the PPFS' long-term goal to succeed by 2020 in setting up a food system structure sufficient to provide lasting food security to the economies of the region. We welcome the PPFS as the primary consultative forum for consideration of food security policies involving relevant APEC working groups. We commend the adoption of PPFS Action Plan for 2012-2013 which envisages developing a road map to achieve the PPFS' long-term goal and setting up working groups to elaborate concrete recommendations towards its achievement.

#### *Agricultural technical cooperation and capacity building*

30. We recognize that agricultural technical cooperation continues to play a vital role in increasing food production, strengthening capacity-building in the field

of agricultural technologies for the member economies and disseminating advanced agricultural technologies on a market-based and voluntary basis in the region. We support the technical cooperation and capacity building activities in education and training, promoting sustainable environmental and natural resource management and infrastructure development related to food security, enhancing agricultural information systems and analysis, and improving preparedness for natural and anthropogenic disasters and cross-border threats.

*Strengthening food safety through capacity building and encouraging regulatory cooperation*

31. We recognize that food safety capacity-building and regulatory cooperation play an important role in promoting public health, facilitating trade and increasing food security. We recognize the work of the Food Safety Cooperation Forum (FSCF) in building dialogue among food safety regulators and its Partnership Training Institute Network (PTIN), which builds on a public private partnership to deliver food safety capacity building, including preventive control measures and strengthening of laboratory capacity. We support the creation of the Multi-Donor Trust Fund of the Global Food Safety Partnership administered by the World Bank which originated from these efforts and use the FSCF and PTIN as a model for expanding food safety capacity building globally.

*Application of innovative biotechnologies for food security in APEC*

32. We welcome work to promote transparent and functioning regulatory systems to ensure safety and to facilitate investment in and the development and application of innovative biotechnologies for food security in APEC. We reaffirm the important potential of biotechnology for contributing to food security and sustainability and the role of APEC in assisting economies in

developing transparent regulatory systems that ensure safety, promote public confidence in those systems, and facilitate trade, including in situations of low-level presence of recombinant-DNA plant materials.

*Study on Food Security policies in APEC*

33. We note the findings of the Policy Support Unit study on food security policies across the APEC region, which highlighted the current food security needs and priorities as well as the policy environment in order to address regional food security issues more effectively. We also note the in-depth analysis of the food security situation in the APEC region is based on the four dimensional food security conceptual model of food availability, economic and physical access to food, and the utilization of food. We acknowledge the useful observations of the study on common food security concerns in all APEC economies, including growing population, climate change, natural resource constraints, decreasing investments in agriculture, natural disasters, rising cost of food, and lack of nutrition education. We particularly emphasize the findings that some food security policies implemented at the domestic level can compromise the food security objectives of other economies and undermine the regional food security situation.

*Asia-Pacific Food Security Information Platform*

34. We welcome the launch of the Asia-Pacific Food Security Information Platform (APIP) in March 2012 in Japan, which was designed as a web-based resource to share regional information on food security. We encourage APIP to go forward with the steps directed to establish links with the Agricultural Market Information System (AMIS) created in the framework of the G20 in June 2011 in Paris to strengthen cooperation between the two systems. We urge APEC economies to provide the APIP with the relevant data and information in order to increase information sharing and effectiveness of this

important tool.

*Supporting sustainable management of marine ecosystems, fisheries and aquaculture*

35. We support work to ensure the implementation of initiatives on sustainable management of marine ecosystems, fisheries and aquaculture. We support the efforts on combating IUU fishing and associated trade, and on addressing sustainability of ocean and marine resources through a holistic approach. We recognize that fisheries and aquaculture are significant components of marine ecosystem that remains essential to the livelihood and economic well-being for many APEC economies and instruct officials to deepen the work in this sphere. We encourage efforts to mainstream ocean related issues in supporting regional economic integration in line with the Leaders` Growth Strategy.

**Establishing Reliable Supply Chains**

*Implementing supply chain connectivity*

36. Achieving an APEC-wide ten per cent improvement in supply chain performance by 2015, and ensuring reliable supply chains in the region continue to be significant priorities for APEC. To that end, we welcome the work undertaken this year to improve supply chain reliability and performance (see Annex B). We also welcome the work undertaken this year to promote the supply chain visibility, and enhance capacity building in Supply Chain Connectivity implementation, including e-commerce and the logistical capacity of sub-providers, with a view to facilitating member economies engagement in supply chains.

### *Enhancing customs procedures*

37. We welcome the work conducted by the relevant subfora within the Supply-Chain Connectivity Framework Action Plan, including progress in capacity building on de-minimis value, work on the development of Single Window Systems in each APEC economy and promote interoperability amongst economies' Single Window Systems, and the formation of the Virtual Customs Business Working Group to enhance collaboration with the private sector on customs-related issues. We welcome conducting the second voluntary Intellectual Property Rights (IPR) enforcement operation focusing on counterfeit electronics, as well as considering IPR border enforcement capacity building activities to support the APEC Guidelines for Customs Border Enforcement, Counterfeiting and Piracy. We also support continued work to build capacity for implementing Authorized Economic Operator programs throughout the APEC region in line with the WCO (World Customs Organization)/APEC SAFE Framework of Standards, which contribute to security and facilitation of customs procedures.

### *Improving supply chains reliability*

38. We appreciate the outcomes of the discussion on strengthening supply chains and believe that the activities of the APEC Transportation Working Group in 2012 represent an important step towards the implementation of the instructions set forth in the 2010 Leaders' Declaration, which set the goal of achieving an APEC-wide target of a ten per cent improvement in supply-chain performance by 2015, in terms of reduction of time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, taking into consideration individual economy's circumstances. We support the recommendations made at the Special Transportation Ministerial Meeting held in August 2012, in St. Petersburg, Russia to continue exploring opportunities together with industry and relevant stakeholders for diversifying and



optimizing transportation and supply chain routes across all modes, improving supply chain connectivity, establishing a logistic information service network, equipping all elements of supply chains with smart technologies and expanding cooperation in the field of disaster prevention and management.

*Securing cross-border trade and travel, strengthening disaster resilience*

39. We welcome the first annual progress report of the APEC Consolidated Counter-Terrorism and Secure Trade Strategy and recognize the important accomplishments being made by APEC sub-fora to advance our Leaders' vision to make regional commerce and travel more secure, efficient, and resilient. We welcome the extension of the Counter-Terrorism Task Force's mandate and its contributions to enhancing the coordination and cooperation within APEC, the private sector, and other organizations, across the strategy's priority cross-cutting areas of secure supply chains, travel, finance, and infrastructure. We recognize the effort underway to continue to strengthen the effectiveness of the CTTF's capacity building activities.
40. We reaffirm the importance of further facilitation of business travel among APEC economies in order to enhance business activity in the region and ensure open and secure trade. In this regard, we commend cross-fora collaboration to advance the APEC Travel Facilitation Initiative, including efforts to enhance the APEC Business Travel Card scheme in order to provide more efficient, secure and expedited travel throughout the region. Regarding this we welcome the Khabarovsk Declaration on Tourism Facilitation for a Robust Economy of the Asia-Pacific.
41. We endorse the APEC Guidelines on Ensuring Tourist Safety which provide the member economies with useful references to share and adopt best practices, design and establish domestic measures to better protect tourists at home and abroad. We encourage APEC members to take practical and focused actions to implement the provisions of the Guidelines.
42. We recognize the vulnerabilities of the Asia Pacific region against natural disasters, and reaffirm the importance of enhancing emergency preparedness

and disaster resiliency, including through cooperation aimed at easing search and rescue and the mobility of relief assistance in the aftermath of disaster which may minimize casualties such as the work on a comprehensive website for first responders in the event of a chemical emergency. We note the efforts and encourage further work on promoting business continuity plans to enhance the reliability of supply chains. We also recognize that integrated disaster risk financing policies are part of overall disaster response preparedness.

### **Intensive Cooperation to Foster Innovative Growth**

*Enhancing the innovation cooperation and the role of business*

43. We support efforts to promote global networking among innovation actors involved in joint scientific research and in the technology inception, dissemination and commercialization cycle, with both its competitive commercial sectors and non-profit elements. We recognize the importance of cooperation among government, private sector, and academia as an essential factor in promoting innovation. We confirm the importance to extend the role of business in discussions on APEC's innovation agenda. We support the transformation of the Industrial Science and Technology Working Group (ISTWG) into the Policy Partnership on Science, Technology and Innovation (PPSTI) and its new terms of reference. PPSTI will strengthen collaboration and enhance member economies innovative capacity, develop science, research and technology cooperation, build human capacity, support infrastructure for commercialization of ideas, develop policy frameworks and foster an enabling environment for innovation. We recognize the important role business should be playing in its work and call on ABAC to nominate private sector representatives to PPSTI and actively participate in its activities. In this regard we instruct the PPSTI, with ABAC support, to draft an action plan containing short- and long-term goals.
44. We note the finalized recommendations of the Innovation Technology Dialogue (ITD) on Nanotechnologies for Energy Efficiency held in May 2012 in Kazan, Russia (see Annex C) and encourage officials to implement them.

Future ITDs as well as Innovation Policy Dialogues will be conducted within the framework of the newly formed PPSTI. We encourage conducting ITDs to discuss key emerging technology markets and related technologies and prospects for their application in terms of addressing current challenges facing Asia-Pacific economies.

### *Intellectual property*

45. We encourage cooperation in intellectual property (IP) protection and enforcement through developing activities in promotion of IP education and training in order to improve the quality and effectiveness of these programs in APEC economies. We also encourage cooperation among the relevant authorities in APEC economies as a critical step towards achievement of goals to promote innovative growth.

### *Fostering innovative and export-oriented SMMEs*

46. We recognize the importance of the development and adoption of innovative practices among small-, medium-, and micro-sized enterprises (SMMEs) in order to create a non-discriminatory and market-driven innovation environment in the Asia-Pacific region. We recognize the profound role of SMMEs in generating innovative ideas and instruct officials to undertake additional work to support innovative SMMEs. We reaffirm our commitment to make it easier for SMMEs to do business in the region; address trade and investment barriers that impact SMMEs; and promote trade, economic, information and technical exchanges, and cooperation; and enhance the international competitiveness among SMMEs in the region. We also welcome progress in the implementation of APEC principles for voluntary codes of business ethics and look forward to further APEC efforts to strengthen ethical business practices through capacity building activities.

*Promoting educational cooperation, collaboration, and networking*

47. We recognize the importance of increasing educational cooperation and promoting cross-border exchange in education services for the innovative growth of APEC economies. We applaud the results of the 5th APEC Education Ministerial Meeting held in May 2012 in Korea and efforts of Education Ministers in promoting educational cooperation. We instruct officials to take forward the priorities enhancing the mobility of students, researchers, and education providers across APEC economies (see Annex D). We confirm that by working collaboratively to increase transparency and undertaking capacity building, APEC economies can greatly improve the enabling environment for cross-border education and exchange in education services.

*Supporting start-ups and young entrepreneurs*

48. We recognize the importance of support for young researchers, innovators and entrepreneurs for innovative growth. We urge the continued recognition of young scientists collaborating in the region through the APEC Science Prize for Innovation, Research, and Education (ASPIRE). We support the implementation of the Young Entrepreneurs Network (YEN) and recognize the benefits of holding YEN meetings on a regular basis. We also welcome the APEC Start-up Accelerator Initiative (ASA) and encourage more collaboration among member economies on the YEN and ASA to assist and promote start-up development in the APEC region.

*Promoting women's role and economic empowerment in the innovative economy*

49. We recognize the crucial role that women play in innovative economic development, development of human capital and business expansion, and commit to the implementation of the APEC Women and the Economy Forum Statement. We recognize that many barriers limiting women's economic participation still exist and instruct officials to work on policies and concrete actions across all APEC fora to further women's economic participation and empowerment across the APEC region. We also encourage greater cross-collaboration between APEC sub fora and the Policy Partnership on Women and the Economy to achieve these outcomes.

*Investing in human capital: promoting healthy lifestyles, maternal and child health*

50. Recognizing that investments in health at all stages of life from pre-natal through aging are investments in the future, we welcome work to promote concrete steps to promote investment in human health including preventing and reducing the burden of non-communicable diseases and promoting health and healthy lifestyles in APEC economies (see Annex E).

51. We support improving health, especially maternal and child health, as a source of dynamic growth and basis for the future healthy adolescence and aging in APEC economies and acknowledge the importance of ongoing strengthening of health sectors and pandemic preparedness. We note that innovations in diagnoses prevention, treatment, and disease management to support health are a source of dynamic growth, and that investment in healthcare, especially maternal and child health, as the basis for the future healthy adolescence and aging in APEC economies. We also acknowledge the importance of ongoing strengthening of health systems and pandemic preparedness and response.

52. We instruct officials to work with stakeholders to identify high-impact investments along the life course that will yield commensurate economic and social returns and report findings to us in 2015. We also instruct officials to work with stakeholders to prioritize access by mothers and children to quality health care, including preventive interventions from pre-natal period and

during their life. We welcome work to address the economic and public health burden of healthcare associated infections. We encourage officials to work with stakeholders to reduce the incidence of infections in healthcare settings.

#### *Human Resources Development and Economic Growth*

53. We emphasize the key role of social protection in achieving strong, sustainable and balanced economic growth and stability. We therefore affirm our commitment to improve employment policies and programs that allow workers to acquire the skills they need for access to employment opportunities that will allow them to share in the benefits of an increasingly globalized economy. We note that the improvement of employment and social protection policy measures can contribute to creating a favorable business climate and securing stable economic growth.

#### *Economic and technical cooperation*

54. We reiterate the importance of continued capacity building work in APEC's agenda that assist APEC economies in achieving the Bogor Goals in 2020, in accordance to the Osaka Action Agenda and the Manila Framework. We endorsed the 2012 SOM Report on ECOTECH and we welcome ongoing efforts to strengthen ECOTECH, by developing a more strategic, goal-oriented and cross-cutting approach which would create greater focus, coherence and impact in the growing number of capacity building programs in the economic and technical cooperation areas.

#### **Strengthening APEC as an Institution**

55. We welcome and stress the importance of increasing constructive involvement of the private sector in APEC processes and encourage further substantial collaboration with ABAC and other stakeholders.
56. We welcome officials' continued efforts to strengthen the operational and institutional capabilities of the APEC Secretariat. We welcome the contributions of Australia's Effectiveness Grant and US-APEC Technical Assistance and Training Facility (TATF) to the Secretariat's institutional strengthening. We also welcome APEC economies' contributions to the APEC Support Fund and its sub-funds.
57. We value the contributions by the Policy Support Unit (PSU) to advancing APEC's key initiatives such as the Ease of Doing Business, Bogor Goals and Supply Chain Connectivity, and to enhancing the quality of discussions among APEC's policymakers as well as promoting our achievements outside APEC. We agree with the Senior Officials' decision to extend the mandate of the PSU for an additional seven years from 2014 to 2020 with a mid-term review to examine its strategic direction.
58. We endorse the 2012 Senior Officials' Report on APEC's work program, including the recommendations contained therein, note the 2012 Annual Report of the APEC Secretariat Executive Director, and approve the 2013 APEC budget and member contributions.
59. We will continue to strengthen the operational and institutional capabilities of the APEC Secretariat. We welcome the successful selection and appointment of the Secretariat's second Executive Director for a fixed term.
60. We welcome preparations for APEC 2013 in Indonesia. We welcome the announcements by the People's Republic of China, the Philippines and Peru that they will host APEC in 2014, 2015 and 2016, respectively.

[ANNEX A – Model Chapter on Transparency for RTAs/FTAs for APEC](#)

*ANNEX B – TOWARDS RELIABLE SUPPLY CHAINS*

*ANNEX C – RECOMMENDATIONS OF THE INNOVATION TECHNOLOGY  
DIALOGUE ON NANOTECHNOLOGIES FOR ENERGY EFFICIENCY*

*ANNEX D – OUTCOMES OF APEC INTERNATIONAL EDUCATION  
CONFERENCE “SHAPING EDUCATION WITHIN APEC”*

*ANNEX E – INVESTING IN HUMAN CAPITAL*