

# THE SEVENTEENTH APEC MINISTERIAL MEETING

**Busan, Republic of Korea**

**15-16 November 2005**

## **JOINT STATEMENT**

APEC 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, representing economies which collectively account for forty-six percent of world trade, fifty-seven percent of the global GDP and forty-five percent of the global population, gathered in Busan, Korea, on 15-16 November 2005, in order to participate in the Seventeenth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting. 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 meeting was chaired by H.E. Ban Ki-moon, Minister of Foreign Affairs and Trade and H.E. Hyun Chong Kim, Minister for Trade of the Republic of Korea.

Ministers focused discussions around the APEC 2005 theme: "Towards One Community: Meet the Challenge, Make the Change." They reaffirmed their commitment to achieving trade and investment liberalisation and facilitation in the APEC region by 2010 and 2020, and resolved to continually push it forward in this regard.

Ministers reviewed the key achievements of APEC 2005, which was hosted by the Republic of Korea, and agreed upon initiatives to be undertaken during the APEC 2006 year, which will be hosted by Viet Nam.

Ministers agreed to the following:

### **Strengthening the Multilateral Trading System**

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

Ministers reaffirmed the utmost importance APEC economies attached to the successful conclusion of the DDA negotiations by the end of 2006 with an ambitious and overall balanced outcome.

Ministers agreed that the 6th WTO Ministerial Conference in Hong Kong, China would be a critical step in achieving this goal and that significant progress must be made in the

Ministerial in resolving considerable divergences, and a clear roadmap for completing the Round in 2006 must be established.

In this regard, Ministers recommended the Leaders to adopt a stand-alone statement on the DDA negotiations that provided strong political leadership and commitment necessary to produce a sound platform for successfully concluding the negotiations in Hong Kong, China, and urged all other WTO Members to show flexibilities needed to move forward the negotiations by and beyond the Hong Kong Ministerial.

## **2. WTO Capacity Building**

Ministers reaffirmed the importance of trade-related capacity building as a tool to enable developing economies to accede to the WTO, fully participate in the WTO negotiations, enjoy the full benefits of the WTO membership, and maximise the potential of trade as a tool for social and economic development.

Ministers welcomed the first policy-oriented WTO Capacity Building Workshop on Best Practices in Trade Facilitation Capacity Building held in Jeju in May, and urged Officials to continue work in this area based on the workshop's recommendations. Ministers welcomed the outcomes of the APEC/WTO Trade Facilitation Roundtable 2005 held in Geneva in February, which provided a unique opportunity to share APEC's expertise in trade facilitation with WTO members. They also welcomed the Seminar on the Information Technology (IT)/Electronics Industry held in Gyeongju in September as an effective measure for capacity building and raising awareness of future trade expansion of IT/electronic products.

Ministers instructed Officials to continue to implement capacity building activities across the full range of areas included in the WTO DDA negotiations, and to continue to evaluate APEC's past capacity building activities, drawing on the expertise of APEC members as well as international organisations, and to report their progress at the Ministers Responsible for Trade (MRT) meeting next year. They called for further APEC attention to the issues of multi-stakeholder and intra-governmental consultations, recognising that these were crucial tools for APEC members to identify their interests and build consensus before and during trade negotiations.

## **3. Accession of APEC members to the WTO**

Ministers welcomed the progress that has been made in the WTO accession negotiations for the Russian Federation and Viet Nam, and looked forward to the rapid conclusion of these negotiations for their early accession.

## **4. APEC Geneva Caucus**

Ministers commended the work undertaken by the APEC Geneva Caucus to advance the DDA negotiations, especially in the area of tariff elimination of IT products and of trade facilitation, and instructed it to continue its work with a view of sharing APEC's

experience with WTO Members, contributing to the successful outcome of the 6th WTO Ministerial Conference and promoting an ambitious and balanced conclusion of the DDA negotiations. They highly welcomed the visit by members of the APEC Business Advisory Council (ABAC) to Geneva in June in an effort to provide business input into the DDA negotiations.

### **Mid-term Stocktake of the Bogor Goals**

Ministers endorsed the report, A Mid-term Stocktake of Progress Towards the Bogor Goals: Busan Roadmap to the Bogor Goals. They commended the report for demonstrating APEC's good progress towards the Bogor Goals and for developing a roadmap to achieve the Bogor Goals and to meet the expectations of the business community in facilitating business activities. Ministers agreed to recommend that Leaders endorse the report.

Ministers recognised that APEC economies had achieved significant liberalisation and facilitation of trade and investment since 1994. They also noted that the rewards from these policy choices had been substantial and had contributed to sustained economic growth and significant welfare improvements in the region.

Ministers remained fully committed to achieving the Bogor Goals of free and open trade and investment in the Asia-Pacific by 2010 for developed members and 2020 for developing members as stipulated in the Bogor Declaration. Ministers emphasised that the Bogor Goals, the core organising principle of APEC, aimed at promoting sustainable growth and prosperity in the region.

Recognising that the environment for trade was constantly evolving, Ministers expressed the need for APEC to adapt its focus accordingly and to continue to deliver concrete and business relevant outcomes in the years ahead to realise the Bogor Goals. They agreed that, while the APEC agenda should be revitalised to keep pace with the new international trade environment, APEC must ensure the achievement of the Bogor Goals.

In order to accelerate progress towards the Bogor Goals, Ministers particularly emphasised the Busan Roadmap to the Bogor Goals, which outlines key priorities and frameworks, such as support for the multilateral trading system, strengthening collective and individual actions, promotion of high-quality regional trade agreements and free trade agreements (RTAs/FTAs), the Busan Business Agenda, a strategic approach to capacity building and the pathfinder approach, ensuring APEC to better respond to the new business environment and continuing to drive free and open trade and investment in the region through work on intellectual property rights (IPR), trade facilitation, anti-corruption, investment, and secure trade.

Ministers reaffirmed their deep commitment to the multilateral trading system and their support for the WTO. They agreed that APEC economies would continue to make

contributions towards the successful outcome of the WTO DDA negotiations and that the APEC Geneva Caucus must redouble its collective efforts to advance the negotiations in all areas of the DDA. They agreed that, once the results of the DDA negotiations were known, APEC members would need to consider what further liberalisation steps would be needed to help reach the Bogor Goals.

Ministers agreed that Individual Action Plans (IAPs) and Collective Action Plans (CAPs) were the major vehicles in achieving the Bogor Goals. They agreed to strengthen the IAP Peer Review processes and make them more transparent and accessible to business. Ministers consequently agreed that the next round of the IAP peer reviews would be conducted from 2007-2009 under the strengthened review framework.

They agreed that high-quality RTAs/FTAs maximised the contribution of these agreements to APEC-wide progress towards the Bogor Goals. Ministers agreed that APEC would develop by 2008 comprehensive model measures on as many commonly accepted RTA/FTA chapters as possible by building on its work in developing model measures for trade facilitation, taking into account the diversity of APEC economies. They agreed that this would be a valuable contribution to maintaining consistency and coherence across RTAs/FTAs in the region.

Ministers agreed that APEC must develop a comprehensive business facilitation program along with strategies, taking into account the diversity of member economies with respect to economic development and domestic policy objectives that also addressed behind-the-border administrative burdens and impediments to trade and investment.

They also underscored the need for APEC to continue to put emphasis on economic and technical cooperation (ECOTECH) to ensure that the Bogor Goals were not only reached, but that their potential benefits were distributed as broadly as possible within the Asia-Pacific community.

Ministers encouraged the implementation of the decisions and commitments taken in the APEC context, both individually and collectively, while preserving APEC's core principles of voluntarism, comprehensiveness, and consensus-based decision-making.

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

Ministers endorsed the 2005 Committee on Trade and Investment (CTI) Annual Report to Ministers on APEC's Trade and Investment Liberalisation and Facilitation activities, including the revised/enhanced CAPs, and commended the progress made by the CTI in implementing the CAPs. They welcomed the achievements, in particular, in the following areas:

#### **1. Advancing Trade and Investment Liberalisation and Facilitation**

### **Individual and Collective Action Plans:**

Ministers reaffirmed the importance they attached to the Individual Action Plans (IAPs) as one of the principle vehicles for reaching the Bogor Goals. Ministers endorsed the 2005 IAPs and welcomed the measures undertaken by individual economies to liberalise and facilitate trade. Ministers also welcomed the report of the newly included issues in the IAPs: RTAs/FTAs and Implementation of General and Area-Specific Transparency, all of which would contribute to greater transparency in the activities undertaken by member economies.

Ministers welcomed the successful completion of the IAP Peer Reviews of all twenty-one (21) member economies as our Leaders had instructed in 2001, which confirmed that all member economies were making good progress towards achieving the Bogor Goals. Ministers also welcomed the continuation of the IAP Peer Review Process for the next three (3) years in a strengthened manner, including a greater focus on what APEC members were doing individually and collectively to implement specific APEC commitments and priorities. Ministers endorsed the revised IAP Peer Review Guidelines and the timetable to carry out the next round of reviews, noting that this would provide greater opportunities for business to raise its views.

Ministers welcomed the progress made in the CAPs and instructed Officials to continue to review and update them in order to substantially contribute to APEC's commitment to free and open trade and investment in the Asia-Pacific region by 2010/2020.

Ministers endorsed the APEC-OECD Integrated Checklist on Regulatory Reform (Checklist), which is a voluntary tool that member economies may use to assess their respective regulatory reform efforts. They instructed Officials to continue to explore ways of working with the OECD to disseminate the Checklist as well as to assist economies in utilising this tool.

Ministers noted the progress in improving the reporting mechanism of Strengthening Economic Legal Infrastructure (SELI) and a work plan to develop a new SELI IAP template in 2006.

### **Investment:**

Ministers noted the importance of investment flows to and from the APEC region and reaffirmed the importance of investment liberalisation and facilitation in the progress towards the Bogor Goals. The APEC Investment Opportunities Conference 2005 to be held in Busan in November would provide a useful overview of diverse investment climates in the APEC members, offering a forum for member economies to exchange information on individual investment frameworks. Ministers welcomed Viet Nam's proposal to hold an APEC Seminar on Experiences in Attracting Investment from Trans National Corporations (TNCs).

Ministers noted the important contribution made by the APEC Non-Binding Investment Principles (NBIP), which were concluded in 1994 to achieve more liberal investment regimes in the APEC region. Ministers welcomed the efforts to strengthen interaction with ABAC and reaffirmed the need to improve the investment environment for business in the region and instructed Officials to further intensify their efforts to achieve investment liberalisation and facilitation.

Ministers welcomed the outcomes of the APEC Seminar held in Tokyo in September, focusing on the recent developments of the investment elements in RTAs/FTAs and bilateral investment treaties (BITs). Ministers stressed the need to strengthen work in the investment area, including assistance to APEC economies in identifying the impact of investment liberalisation and a further study on the interaction and relationship between various agreements on investment.

Ministers noted the APEC-OECD seminar on policy framework for investment held in November, which identified many areas where APEC and the OECD could strengthen cooperation on investment for development.

### **Customs Procedures:**

Ministers commended the work done to reflect the growing needs of trade facilitation and security through simplification and harmonisation of customs procedures in the region and in that context welcomed two new CAP items, *i.e.* the Time Release Survey, which is a useful tool to find and improve bottlenecks in customs related procedures, thereby facilitating trade.

Ministers welcomed the release of an 'APEC Customs and Trade Facilitation Handbook', which would give Asia-Pacific businesses better access to information on customs laws and regulations in APEC member economies. The handbook offers an invaluable resource for business people to avoid costs incurred by a lack of knowledge of procedures and regulations.

### **Business Mobility:**

Ministers noted the importance of business mobility in trade facilitation. They welcomed the entry of Viet Nam as the 17th member of the APEC Business Travel Card (ABTC) Scheme and commended efforts within APEC to facilitate business mobility while making travel more secure.

### **Standards and Conformance:**

Recognising that the alignment of domestic standards with international standards contributed to trade facilitation in the region, Ministers welcomed the results of a comprehensive review that showed a very high level of achievement of the alignment work in the agreed upon priority areas. Ministers instructed Officials to launch new voluntary alignment works on the International Electro-technical Commission (IEC)

standards for electrical equipment, especially for those that were covered under the IEC System for Conformity Testing to Standards for Safety of Electrical Equipment (IECEE) Certification Bodies (CB) Scheme to be completed by 2010.

Ministers also welcomed the publication of the first CTI Sub-Committee on Standards and Conformance (SCSC) blueprint, which summarised the activities undertaken in the areas of Standards and Conformance in APEC, noting that it would enhance the knowledge of the business community on standards and conformance related work.

### **Private Sector Development:**

Ministers acknowledged that issues like trade facilitation, transparency and business regulations and administrative procedures had noteworthy effects on the development of the private sector, especially SMEs. They welcomed the initiative to develop a Private Sector Development agenda to improve the business environment in the region and to continue to support the development of SMEs in terms of raising their competitiveness in the marketplace. They noted that such efforts would build on existing areas of APEC work such as trade facilitation, transparency and regulatory reform, promote the sharing of best practices and support the outcomes of the 12th APEC SME Ministerial Meeting and focus on capacity building.

## **2. Trade Facilitation Action Plan (TFAP)**

Ministers welcomed the progress made by economies towards meeting the target established under the 2001 TFAP of a five (5) percent reduction in trade facilitation costs by 2006. They agreed to another five (5) percent reduction by 2010.

- Ministers commended the progress made by the member economies in implementing the APEC TFAP and welcomed the reports by the economies on actions and measures taken in the areas of movement of goods, standards and conformance, business mobility and e-commerce.
- Ministers welcomed the preparatory work underway for the final review in 2006 and endorsed the TFAP Roadmap to 2006 that proposed a work program to ensure that APEC accomplished the goal of the aforementioned five (5) percent reduction in transaction costs across the region by 2006. They also instructed Officials to develop a work plan that would take the TFAP beyond 2006.
- Ministers instructed Officials to carry out further concrete actions in identified priority areas, such as improving customs procedures, enhancing the alignment of domestic standards with international standards, facilitating business mobility and fostering a paperless trading environment, with a view of producing tangible benefits for the business community and stressed the need to promote capacity building in the aforementioned four (4) areas to enable all economies to fully implement the TFAP.

Ministers welcomed the fruitful outcomes of the APEC Symposium on Assessment and Benchmark of Paperless Trading held in China in September. Ministers urged all member

economies to strengthen cooperation in this area with a view of reinforcing mutual cooperation and pushing forward the achievement of APEC's paperless trading goals.

They welcomed the initiative by Australia and Viet Nam for a targeted process of 2006 and endorsed the development of a comprehensive business facilitation program, which builds on the gains made by the TFAP and the Santiago Initiative for Expanding Trade in APEC and also draws in the APEC Finance Ministers' Process and ABAC to develop effective strategies and modalities.

Ministers welcomed outreach efforts by the CTI and the APEC Secretariat to showcase APEC's achievements and future plans in the area of trade facilitation, including the publication of a business outreach brochure.

### **3. RTAs/FTAs**

Ministers emphasised the importance they attached to APEC's work on RTAs/FTAs. APEC members view high-quality and comprehensive RTAs/FTAs as one of the principal avenues for reaching the Bogor Goals. Ministers noted that there was a window of opportunity for APEC to help ensure that the spread of RTAs/FTAs in the region was consistent with the Bogor Goals. Ministers instructed Officials to continue their work on developing policies towards RTAs/FTAs.

They agreed that APEC should continue to play a constructive role in this area by exchanging information and experiences on APEC member economies' RTAs/FTAs as well as by taking concrete measures to enhance transparency in IAPs and to strengthen targeted capacity building. In this regard, they welcomed efforts by the parties to the Trans-Pacific Strategic Economic Partnership to brief other APEC members on the recently concluded agreement.

Ministers agreed that the RTAs/FTAs Best Practices document agreed upon last year helped to promote a common understanding of and greater convergence and coherence among RTAs/FTAs. Ministers also agreed to continue efforts to use the Best Practices document on a voluntary basis as a meaningful reference in RTAs/FTAs negotiations.

Ministers took note of the successful 3rd Trade Policy Dialogue on RTAs/FTAs held in Jeju in May and welcomed the work program, initiated at the Dialogue, on developing model measures for RTAs/FTAs chapters. In this regard, they welcomed the Model Measures for Trade Facilitation in RTAs/FTAs and expressed their conviction that these non-binding model measures, which APEC members were encouraged to follow, would serve as a reference for APEC member economies achieving high-quality free trade agreements, making a genuine contribution to the liberalisation and expansion of trade in the Asia-Pacific region.

Ministers supported capacity building assistance to help member economies, especially developing economies, to enhance negotiations skills for RTAs/FTAs and for addressing the concerns of domestic industries. They welcomed expanding initiatives in this area,

including the Workshop on Preferential Rules of Origin in Seoul, and looked forward to the forthcoming workshop on investment and market access issues in Malaysia, the advanced workshops on negotiating FTAs in Indonesia, and the APEC Workshop on Best Practices in Trade Policy for RTAs/FTAs: Practical Lessons and Experiences for Developing Economies to be held in Viet Nam in 2006.

#### **4. Strengthened Intellectual Property Protection and Enforcement**

Ministers recognised that the protection and enforcement of Intellectual Property Rights (IPR) is essential to building a knowledge-based economy and are key factors for boosting economic development, promoting investment, spurring innovation, developing creative industries and driving economic growth.

Ministers fully supported the APEC Anti-Counterfeiting and Piracy Initiative adopted at the June 2005 meeting of APEC Ministers Responsible for Trade. Ministers endorsed the APEC Model Guidelines to Reduce Trade in Counterfeit and Pirated Goods, to Protect Against Unauthorised Copies, and to Prevent the Sale of Counterfeit Goods over the Internet, as called for in the APEC Anti-Counterfeiting and Piracy Initiative. Ministers agreed that the model guidelines and templates were a timely policy response to the emerging challenges of online piracy and trade in counterfeit and pirated goods and are valuable tools to help economies strengthen their IPR protection and enforcement regimes, as well as to raise public awareness about the importance of this issue. Given the importance of strong IPR regimes in the region, Ministers instructed economies to take further steps that build on the APEC Anti-Counterfeiting and Piracy Initiative in the coming year, in consultation with the private sector so as to reduce trade in counterfeit and pirated goods, curtail online piracy, and increase cooperation and capacity building in this area.

Ministers called on economies to complete the exchange of information on their IPR websites, IPR enforcement officials and steps they had taken to apply the APEC Effective Practices for Regulations Related to Optical Disc Production before SOM II 2006, and to take steps to further this work.

Ministers welcomed members' progress in advancing the CAPs on IPR including the establishment of eleven (11) IPR Service Centres and encouraged members to make further progress.

Ministers noted the success of the APEC High-level Symposium on IPR held in Xiamen in September, which marked an important step to strengthen cooperation on IPR protection among members and to enhance the dialogue between the public and private sectors.

#### **5. Pathfinder Initiatives**

Recognising that pathfinder initiatives were valuable tools for furthering trade and investment liberalisation and facilitation, Ministers stressed the importance of ensuring

progress and retaining momentum in such initiatives. They encouraged Officials to hold further discussions on the implementation of current initiatives as well as to continue their efforts to identify additional areas in APEC that could serve as potential candidates for the pathfinder approach in accordance with the Guidelines on Pathfinders adopted last year, and encouraged further discussions on their implementation.

### **Trade and Digital Economy:**

Ministers welcomed the progress made in implementing the Pathfinder on Trade and Digital Economy, in particular, the completion of the survey of member economies' Best Practices for Combating Optical Disk Piracy and the discussions on possible technology choice principles. They welcomed the successful workshop on technology choice held in February to discuss issues/policies aimed at maximising users' and suppliers' choices of innovative products and services. Ministers recognised the outcome of the dialogue on technology choice in February 2005, which focused on the relationship between the promotion of innovation and the development of knowledge-based economies and technology neutral policies and regulations; open, international, and voluntary standards; and non-discriminatory, transparent, technology neutral, and merit-based government procurement policies. Ministers agreed to continue discussion on these concepts in 2006, with a view to developing a set of technology choice principles for inclusion in the Leaders' Pathfinder Statement to implement APEC Policies on Trade and the Digital Economy.

### **APEC Sectoral Food Mutual Recognition Agreement (MRA) Pathfinder Initiative:**

Ministers welcomed the fruitful outcome of the first APEC Sectoral Food MRA Pathfinder Initiative Meeting hosted by Thailand in June and endorsed Thailand's proposal to host a Seminar on the Development of Sectoral Food MRAs in June 2006. Member economies' active participation in this event is encouraged as it would help this pathfinder initiative make progress and facilitate trade in food products, which is important to the region and APEC's overall goals.

## **6. Food Cooperation**

Ministers welcomed the progress made by economies towards strengthening food safety cooperation across APEC and noted the outcomes of the Food Safety Cooperation Seminar held in Gyeongju, co-sponsored by China, Australia, Thailand and Viet Nam. Ministers were encouraged by the ongoing work towards achieving a stocktake of the activities of relevant international and regional organisations aimed at promoting food safety, and they welcomed the establishment of an Ad Hoc Steering Group on food safety cooperation under the CTI SCSC. In completing its mandate, the Ad Hoc Group was expected to take input from and work in close collaboration with the Agricultural Technical Cooperation Working Group (ATCWG).

### **APEC Food System (AFS):**

Ministers also welcomed the joint and cross-cutting actions being implemented by all APEC member economies and APEC fora, such as the ATCWG, to implement the APEC Food System. They encouraged further work to develop agriculture in the APEC region, including further work to develop rural infrastructure, to promote trade in food products and to disseminate technological advances in food production and processing.

### **Anti-Corruption and Transparency Standards**

Ministers recognised that APEC's goal of economic prosperity could not be achieved unless corruption, both in the domestic economies and in international business transactions, was effectively addressed and those individuals guilty of corruption were denied a safe haven.

Ministers agreed that corruption undermined economic performance, weakened democratic institutions and the rule of law, disrupted social order, destroyed public trust and provided an environment for organised crime, terrorism and other threats to human security to flourish. As it is one of the largest barriers to APEC's road to free trade, to increase economic development and to greater prosperity, Ministers reaffirmed that they would continue to look for avenues to effectively address this important issue within APEC as well as in other fora.

Ministers welcomed the outcomes of the APEC Anti-Corruption and Transparency Symposium (ACT Symposium) and urged greater action to combat corruption and to improve transparency. They applauded Korea for hosting the ACT Symposium and commended the APEC Anti-Corruption and Transparency (ACT) Task Force for beginning its important work. Ministers stressed the importance of capacity building programs and encouraged member economies to develop and submit capacity building projects in support of APEC works in transparency as well as in anti-corruption.

Ministers encouraged all APEC member economies to take all appropriate steps towards effective ratification and implementation, where appropriate, of the United Nations Convention Against Corruption (UNCAC). Ministers encouraged relevant APEC member economies to make the UNCAC a major priority. They urged all member economies to submit brief annual progress reports to the ACT Task Force on their APEC anti-corruption commitments, including a more concrete roadmap for accelerating the implementation and tracking progress. Ministers also encouraged the ACT Task Force to continue closer coordination with the APEC CTI and all other relevant APEC sub-fora.

Ministers welcomed the anti-corruption pledge that would be made by CEOs at this year's APEC CEO Summit and encouraged continued collaboration between the APEC ACT Task Force and ABAC. Ministers welcomed the private sector's call for a synergistic collaboration with the ACT Task Force to improve corporate governance and seek to strengthen this important public-private partnership. Ministers pledged to intensify regional cooperation to deny a safe haven to officials and individuals guilty of corruption,

and encouraged greater cooperation in the areas of mutual legal assistance, where appropriate, extradition, asset recovery, and forfeiture of the proceeds of corruption. Accordingly, Ministers supported greater cooperation and information exchange among member economies as well as the sharing of expertise and experiences and supported capacity building on the denial of a safe haven, the UNCAC implementation, anti-bribery best practices, anti-corruption and SMEs, and other relevant areas including those as recommended in the ACT Course of Action (COA).

Ministers agreed to continue APEC's collective efforts to promote good governance, integrity, and transparency, as they were indispensable to APEC members' aspirations for a more secure and prosperous community in the Asia-Pacific region and beyond.

Ministers reiterated the importance of fulfilling the APEC Transparency Standards and the area-specific Transparency Standards. They welcomed the first comprehensive submission of IAP reports on the implementation of Transparency Standards, as formulated at APEC Los Cabos and Bangkok Leaders' Meeting in the Leaders' Statement to Implement Transparency Standards.

## **Human Security**

Ministers shared the pain of bereaved families in the areas stricken by terrorist attacks and natural disasters, and expressed their deep condolences. They stressed the need to achieve the objectives of human security and trade and investment liberalisation and facilitation and highlighted the activities being undertaken in the areas of counter-terrorism, non-proliferation, infectious diseases, emergency preparedness and energy security.

### **1. Counter Terrorism and Secure Trade**

Ministers reiterated that terrorism was a serious threat to the security, stability and growth of the APEC region. They continued to review the progress on APEC's commitments to dismantle transnational terrorist groups, to eliminate the danger posed by the proliferation of weapons of mass destruction, their delivery systems and related items, as well as to confront other direct threats to the security of our region in the future. Ministers encouraged APEC economies to continue to develop new initiatives in these areas, and to implement existing commitments to eliminate the danger of terrorism and secure trade unilaterally, bilaterally, multilaterally and in APEC, building on the comparative strengths of APEC.

They applauded the improved counter-terrorism coordination measures adopted by APEC within its own fora as well as other international counter-terrorism action groups. Ministers highlighted the benefits to human security of the APEC Counter Terrorism Action Plans (CTAP) in identifying capacity and gaps in regional security frameworks. Ministers looked forward to sharing the results of the APEC CTAP Cross-Analysis with

relevant donor bodies. Ministers reiterated their resolve to securing trade in the APEC region. They welcomed the outcomes of the 3rd Secure Trade in the APEC Region (STAR III) Conference in Incheon in February, and looked forward to the 4th STAR Conference (STAR IV) in Viet Nam. They stressed the need for enhancing public-private partnerships to strengthen cooperation in combating terrorism and stressed the importance of building business confidence by working closely with private sectors and publicising information on measures taken to secure trade. In this connection, Ministers welcomed Singapore's initiative to host a symposium on Total Supply Chain Security in 2006.

Ministers recognised the need to further facilitate secure trade, to reduce public health hazards and to reduce the threat of economic disruption through incidents related to radioactive materials, and applauded the agreement of relevant APEC economies to aim at implementing the International Atomic Energy Agency Code of Conduct on the Safety and Security of Radioactive Sources as well as the Guidance on the Import and Export of Radioactive Sources by the end of 2006. Ministers underscored the efforts to mitigate the threat of Man-Portable Air Defense Systems (MANPADS) to civil aviation and welcomed the agreement by all APEC economies to undertake a MANPADS Vulnerability Assessment at international airports by the end of 2006. Mitigating the threat of MANPADS attacks and enhancing the security of civil aviation in APEC would ensure the continued flow of people and services for business and tourism.

Ministers commended the significant progress made by the CTI Informal Experts' Group on Business Mobility to secure people in transit, including the development of improved standards for border control and enhanced immigration services.

Ministers thanked Australia and the United States for the report on the start of the pilot Regional Movement Alert List (RMAL), which is an important step in fighting terrorism in the region. They welcomed the expansion of the pilot RMAL to New Zealand in the near future. Ministers noted the supporting progress in developing a Multilateral Legal Framework for those economies choosing to join RMAL and in examining legal issues associated with accessing lost and stolen passport data and instructed Officials to progress this work in 2006. Ministers instructed officials to advance an APEC initiative on capacity building for machine readable travel documents and biometrics technology to enhance regional security. They also called for further cooperation to ensure that all APEC member economies issue machine-readable travel documents, if possible, with biometric information by the end of 2008. Ministers thanked Korea for raising the awareness on international conduct standards for Immigration Liaison Officers (ILO) and best practices of Regional Immigration Liaison Officer Cooperation.

Ministers confirmed their agreement to voluntarily begin providing information on lost and stolen travel documents to the existing database of the International Criminal and Police Organisation (ICPO) on a best endeavours basis by the end of 2006.

Ministers instructed Officials to advance an APEC initiative on capacity building for machine readable travel documents and biometrics technology to enhance regional

security, and they encouraged the development of capacity building initiatives for developing economies to achieve this goal.

Ministers reiterated their common understanding that APEC needed to continue building capacities and stressed that appropriate capacity building activities and best practices should be identified and made available to developing economies for the implementation of security measures. They commended the additional APEC work this year to help enhance security and welcomed, in particular, the following capacity building and implementation actions undertaken by APEC economies this year:

- Steps to advance compliance with the International Maritime Organisation's International Ship and Port Facility Security (ISPS) Code through cooperative capacity building efforts and by encouraging follow-up visits to Viet Nam, Indonesia, the Philippines, Malaysia, Thailand, Peru and Papua New Guinea to enhance the work already completed;
- Continued work in APEC to develop effective export control systems, such as Japan's export control survey on APEC Key Elements for Effective Export Control Systems and the efforts this year by individual economies to offer voluntary capacity-building on export controls;
- Commencement of the projects to strengthen the anti-money laundering regime in Indonesia, Thailand and the Philippines through the Asian Development Bank's Regional Trade and Financial Security Initiative, as well as the pending launch of four additional projects to combat terrorist financing and to strengthen maritime and civil aviation security;
- Delivery of a workshop on Airport Vulnerabilities and Counter Measures to APEC economies, as well as interested regional partners;
- Delivery of MANPADS Component Pocket Guides by the United States to all APEC economies to assist the detection and prevention of MANPADS smuggling;
- Progress on the STAR goal of 100 percent baggage screening for passengers, expected to be reached by the end of 2005; and
- Progress in implementing, concluding, or aiming to conclude an Additional Protocol with the International Atomic Energy Agency, reflecting APEC's determination not to allow illicit nuclear activities in our region through the collective commitment to expanded transparency on nuclear-related activities. They welcomed the recent signing of the IAEA Additional Protocols by Singapore and Thailand as well as the Board approval of the Protocol with Malaysia, and encouraged relevant APEC economies to conclude such agreements on a priority basis. Assistance of other APEC economies to relevant non-signatory economies in this field is welcomed.

In implementing counter-terrorism commitments, Ministers noted the importance of minimising costs associated with cross-border business transactions. With this in mind, as APEC continues its progress on trade facilitation, economies will work to apply improved technology and procedures, and offer capacity-building to this end. Ministers affirmed their commitment to ensure that any measures taken to combat terrorism comply with all relevant obligations under international law, in particular international human rights, refugee law and humanitarian law. Ministers welcomed the outcomes of the APEC Human Security Seminar co-hosted by Japan and Thailand in Tokyo in October.

Ministers welcomed the work on the APEC Framework for the Security and Facilitation of Global trade, which is based on the World Customs Organisation (WCO) Framework of Standards to Secure and Facilitate Global Trade and to create an environment for the secure and efficient movement of goods, services and people across the borders. They noted that the APEC Framework would lead to the implementation of international standards for securing and facilitating the global supply chain within the APEC region.

## **2. Health Security**

### **Avian and Pandemic Influenza:**

Ministers noted with concern the threat that the highly pathogenic avian influenza posed to the APEC region as well as to the world. In this regard, Ministers committed to accelerating APEC's ongoing work on infectious disease threats such as avian influenza and HIV/AIDS. They agreed it was critical to ensure that APEC was prepared for and had the capacity to effectively respond to infectious diseases at the individual, regional and international levels, in cooperation with specialised international organisations, in particular the World Health Organisation (WHO), the Food and Agricultural Organisation, and the World Organisation for Animal Health (OIE).

Ministers noted with particular satisfaction the outcomes of the APEC Meeting on Avian Influenza Preparedness held in Brisbane in October and November, and they endorsed the report and recommended it to Leaders. They further called for support to strengthen their regional and international surveillance and response systems. Ministers welcomed Singapore's offer of the use of the Regional Emerging Diseases Intervention (REDI) Centre to assist APEC's efforts in enhancing rapid regional pandemic response. Ministers welcomed Viet Nam's proposal to host an APEC Ministerial Meeting Responsible for Avian Influenza in 2006 to consolidate APEC work, taking into account Brisbane's recommendations and ongoing regional and international efforts.

Ministers endorsed the initiative on Preparing for and Mitigating an Influenza Pandemic, with the aim of strengthened collective action and individual commitment on a multi-sectoral basis to prepare for and respond to an influenza pandemic. Ministers welcomed the proposed extension of the scope of the APEC LSIF disease biomarker project to include infectious diseases, such as avian influenza, and noted that the associated cohort study would facilitate monitoring of these diseases if conducted across multiple economies. Ministers also endorsed the recommendations of the cross-sectoral APEC

Symposium on Response to Outbreak of Avian Influenza and Preparedness for a Human Health Emergency held in San Francisco in July, which sought to minimise the threats to animal and human health, including the threat of transmission from animal to human, as well as the economic consequences of avian and other pandemic influenza.

Ministers welcomed the efforts of the Health Task Force (HTF) and Task Force on Emergency Preparedness (TFEP) projects initiated by member economies in enhancing preparedness for pandemic influenza. Ministers instructed all APEC fora to continue to work cooperatively with the TFEP and the HTF to achieve this goal.

They underscored the importance of timely and accurate reporting and capacity building efforts to enable adequate, systematic and well-coordinated prevention. In this connection, Ministers looked forward to active participation in the APEC Symposium on Emerging Infectious Diseases to be held in China in April 2006.

### **HIV/AIDS:**

Ministers commended the HTF's efforts to address the growing threat of HIV/AIDS in the APEC region, as directed by Leaders last year, and called for further work in this area. They welcomed the outcome of the APEC Workshop on HIV/AIDS Management in the Workplace in Bangkok and the APEC Workshop on HIV/AIDS and Migrant-Mobile Workers to be held in Manila in December. They welcomed these two initiatives as demonstrating ways in which APEC could add value and work with various working groups and fora in APEC and relevant international organisations, such as the Joint United Nations Programme on HIV/AIDS (UNAIDS) and WHO, as appropriate, in the fight against HIV/AIDS. They noted that, as the private sector was the largest employer in the region, it had the greatest potential to contribute to the well-being of the people living with HIV/AIDS by providing them with the opportunity to live with dignity as a productive working member of society. In this regard, Ministers recognised the importance of the activities of the Global Fund and called for its further contribution. Ministers welcomed the upcoming international AIDS Conference in Toronto in August 2006 and encouraged the effective engagement of APEC economies in the conference.

Ministers stressed the need to enhance prevention, treatment, and care capacity in developing economies, including the provision of anti-retroviral (ARV) in developing economies.

### **3. Emergency Preparedness**

Ministers recalled that APEC Leaders stated when they met in Vancouver in late 1997 that they "recognised that unexpected disasters which affect one of us can affect all of us, and that we can benefit from sharing expertise and collaborating on emergency preparedness and response." Ministers noted that the Leaders' statement had proved particularly true when the APEC region was hit by a series of devastating natural disasters rarely seen before in human history: the earthquake and seismic tidal waves that struck the regions bordering the Indian Ocean last December; earthquakes in Indonesia;

Hurricane Katrina and Rita in the United States; Hurricane Wilma in Mexico; and a series of typhoons in China. These natural disasters reminded Ministers that APEC had exerted collective efforts to fight against and respond to natural disasters in the past and that APEC should build on the past and continue to play its value-added role in strengthening emergency preparedness and disaster recovery measures, to complement activities in other fora, such as those under the Hyogo Framework for Action adopted by the UN World Conference on Disaster Reduction in January.

As a response to the earthquake and seismic tidal waves in December 2004 and to enhance preparedness for future disasters of all kinds, Ministers endorsed the APEC Strategy on Response to and Preparedness for Emergency and Natural Disasters and welcomed the establishment of the APEC TFEP to coordinate work in APEC, identify gaps in member economies and explore ways to enhance APEC's preparedness for disasters and emergencies of all kinds. They looked forward to the launching of the APEC Website on Emergency Preparedness.

Ministers noted the outcomes of the TFEP stocktake and commended the work in relation to emergency preparedness done or to be done by various APEC fora. They acknowledged the Task Force's report on the progress to date and commended the work that had been conducted under its auspices.

Ministers called upon Officials to explore new initiatives and to continue the development of appropriate measures to enhance disaster preparedness and response in the Asia-Pacific region and instructed all APEC fora to work in a coordinated way, trying to get all APEC economies better prepared for future natural disasters: from natural disaster early warning systems, to the best practices for emergency management, and to rapid social and economic recovery from the damages caused by natural disasters.

Ministers welcomed the development of the APEC Small and Medium Enterprises (SMEs) Disaster and Emergency Preparedness Checklist and emphasised the importance of preparedness and mutual cooperation between member economies in reducing the costs arising from disasters.

Ministers welcomed the Transportation Working Group (TPTWG) Seminar on Post Tsunami Reconstruction and Functions of Ports Safety held at the 26th TPTWG meeting in Vladivostok. They recognised the importance of information and communication technology (ICT) in response to natural disasters and acknowledged the need to deploy the communication infrastructure in each economy to disseminate warning messages and gather information for initial reaction. They also welcomed the Seminar on Tourism Crisis Management organised by Korea in October in Hanoi, which laid out a plan to reduce the damage by the devastating crisis to the tourism industry.

Ministers welcomed the APEC-EqTAP Seminar on Earthquake and Tsunami Disaster Reduction co-hosted by Japan and Indonesia held in Jakarta in September, which contributed to both disaster management capacity building and the enhancement of

preparedness for natural disasters in APEC member economies, as an indispensable step towards attaining sustainable development in the region.

Ministers underscored the importance of the All Hazards Workshop hosted by the United States in June that brought together high-level decision-makers from around the region and experts to examine the requirements and capabilities of establishing end to end early warning systems essential to saving lives and protecting property. They noted that this effort strengthened regional and within-economy cooperation and preparedness to provide better warning capabilities in the immediate future. Ministers looked forward to an all hazards forecast and warning compendium, a product of the workshop to be disseminated in 2006 to continue the effort.

#### **4. Energy Security**

Ministers noted with concern that sustained high oil prices caused by factors such as increased demand, low spare production capacity, insufficient refining capacity, speculative trading and heightened concerns on the longer-term adequacy of oil supply, might have adverse impacts on the economies of APEC, and emphasised that access to adequate, reliable, affordable and cleaner energy was fundamental to the region's economic, social and environmental well-being.

Ministers agreed that effective responses to high and increasingly volatile oil prices required a broad range of supply and demand-side measures to increase oil production, enhance the security of oil supply, improve the efficient operation of the global oil market and promote energy diversification, efficiency and conservation. Ministers also noted that the economies of APEC faced considerable challenges in bringing energy supply and demand into balance while reducing the environmental impact from energy production and consumption and agreed that, to address this, it was essential to promote efficiency and conservation, expand cross-border trade, attract investment and accelerate technology development.

In recognising the need to urgently respond to these challenges, Ministers noted that Energy Ministers met in October to consider individual and collective responses, such as holding a dialogue with the Organisation of Petroleum Exporting Countries (OPEC) and discussing findings from recent APEC studies on the impact of high oil prices on trade and the downstream oil market. Ministers welcomed outcomes from this meeting, and instructed the Energy Working Group (EWG) to continue their broad-based approach by implementing measures developed under the APEC Energy Security Initiative (ESI), the CAIRNS Initiative as well as the APEC Action Plan to Enhance Energy Security.

Ministers also encouraged the EWG to undertake further actions, including engaging more closely with other international energy fora; implementing initiatives on LNG public education and communication, and financing high performance buildings and communities; establishing a biofuels task force, building the capacity of the economies of APEC to collect and analyse energy data; identifying best practices, benchmarks and indicators to assess energy efficiency improvements; and supporting the establishment of

the APEC Gas Forum. In undertaking these actions, Ministers instructed the EWG to work closely with business and also financial and research communities.

Ministers highlighted the important role of renewable energy among APEC economies, especially developing economies. They welcomed the APEC Workshop on the Development of Renewable Energy held in China in September.

Ministers joined APEC Energy Ministers in recognising the need to accelerate energy technology development and instructed the EWG to increase its cooperative activities to support the development and uptake of technologies for new and renewable energy, clean fossil energy including clean coal, carbon capture and storage, hydrogen and fuel cells and methane hydrates. Ministers also recognised the growing importance of nuclear energy in the APEC energy mix, and encouraged interested APEC economies to join the ad hoc group on nuclear energy and to progress activities identified in the nuclear framework endorsed at EWG27 to support nuclear power while ensuring optimal safety, security, seismic protection, health and waste handling, including trans-border effects.

Ministers emphasised the need to develop increased energy resources in ways that addressed poverty eradication, economic growth, and pollution reduction, and the need to address climate change objectives. In this context, they welcomed the UN Climate Change Conference in Montreal later this month.

### **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 commended the progress made this year in advancing the ECOTECH agenda and in reinforcing the complementarity of TILF and ECOTECH and called for efforts to further advance ECOTECH. They stressed that the benefits of globalisation and liberalisation should be shared by all, through APEC's better-focused and more targeted economic and technical cooperation activities, particularly capacity building. Ministers also recognised the need for APEC to interact with bilateral, regional, and international organisations and financial institutions with a view to fostering cooperation, broadening support and leveraging financial resources to boost ECOTECH activities.

Ministers commended the achievement of the SOM Committee on Economic and Technical Cooperation (ESC) in making progress to promote ECOTECH activities in APEC and endorsed the 2005 Senior Officials' Report on Economic and Technical Cooperation and the recommendations therein. They welcomed the Officials' decision to strengthen the coordination of ECOTECH activities by establishing the Steering Committee on ECOTECH (SCE).

Ministers noted the conclusion of the second Policy Dialogue between APEC and International Financial Institutions (IFIs) and the Organisation for Economic Cooperation and Development (OECD) held in Gyeongju in September, which was convened to find synergy in promoting capacity building for Micro, Small, and Medium Enterprises (MSMEs) and trade facilitation for developing member economies in APEC. They noted the way forward as recommended by the meeting to enhance collaboration with International Financial Institutions (IFIs) and relevant international organisations and acknowledged that the Financial Ministers' Process should be closely consulted in any future dialogues. Ministers also welcomed the collaboration between the APEC Secretariat and the World Bank's Global Development Learning Network (GDLN). They looked forward to concrete programs supported by IFIs and other relevant international organisations.

Ministers recognised that a complete quality assurance process, from the initial project proposal to the implementation and evaluation stage, was key to enhancing the successful implementation of ECOTECH activities, and had the potential to attract external resources from IFIs as well as the private sector. Ministers welcomed the addition of the Monitoring and Evaluation Framework, as contained in the 2005 Senior Officials Report on Economic and Technical Cooperation, as an important tool to significantly improve the quality of APEC's ECOTECH projects.

Ministers welcomed the establishment of the APEC Support Fund (ASF) as an important means to supplement resources available for APEC's capacity building work and welcomed Australia's contribution of three (3) million Australian dollars towards the establishment of the fund. Ministers urged member economies to consider bestowing contributions to either the ASF or the TILF accounts as a means to broaden APEC's funding base.

Ministers welcomed the outcomes of the APEC Workshop on Invasive Alien Species held in Beijing in September and co-sponsored by China and the United States, and endorsed the APEC Strategy on Invasive Alien Species. Ministers commended on the progress regarding the establishment of the Asia-Pacific Finance and Development Centre (AFDC) in Shanghai and recognised it as an important step forward for promoting financial stability and development, financial system reform and capacity building in the region.

Ministers welcomed the work undertaken this year on the issue of sustainable development. They endorsed the recommendations of the Workshop on the Role of Voluntary Initiatives in Sustainable Production, Trade, and Consumption Chains held in Santiago, which is to be coordinated by the SCE. Ministers looked forward to the outcomes of the upcoming High-level Meeting on Sustainable Development to be held in July next year in Santiago.

### **Human Resources Development:**

Ministers recognised human resources development as an important foundation for the economic and social development of the APEC region. Ministers noted the important role of the Human Resources Development Working Group (HRDWG) in building the capacity of economies, through policy dialogues and exchanges in areas such as education. Ministers also commended the work on developing a Strategic Action Plan for English and other Languages in the APEC Region, while noting that the scope of a comprehensive strategy extended beyond the mandate of the HRDWG as such.

Ministers recognised the important role that the Labour and Social Protection Network (LSPN) could play in promoting training and employment policies, enhanced productivity, improved workplace practices and strong and flexible labour markets through the development of useful labour market information and policies.

Ministers welcomed the successful conclusion of the APEC Symposium on Strengthening Social Safety Nets under Rapid Socio-economic Changes held in Seoul in August. Ministers noted the symposium's finding that globalisation and liberalisation needed a complementary social agenda to ensure that change was brought about smoothly, minimising negative social consequences and maximising its benefits to all. Ministers welcomed the intention of the Social Safety Nets Capacity Building Network (SSN-CBN) to develop a future work programme in 2006. Ministers also encouraged Viet Nam and Australia to host meetings of the SSN-CBN in 2006 and 2007, respectively.

Reaffirming the great importance of promoting education and training, Ministers welcomed the achievements made by the APEC Future Education Consortium and the APEC Education Foundation in accomplishing a learning community and a stable supporting system for educational development in the APEC region. Ministers also welcomed the APEC e-Learning Training Program as a systematic and sustainable initiative to expand digital opportunities for education policymakers, school administrators and teachers in the region.

Ministers noted the significant work being carried out by Human Resources Development - Capacity Building Network (HRD-CBN) in preparing business leaders and managers for globalisation, focusing on such themes as entrepreneur development, risk management, international rules and standards, and trans-boundary environmental issues. Ministers also welcomed the close collaboration between APEC and ABAC in implementing the project, Capacity Building for Recycling Based Economy (RBE) in APEC.

### **Industrial Science and Technology:**

Ministers envisioned APEC as providing a platform where member economies could promote common prosperity through enhanced cooperation in industrial science and technology.

Ministers welcomed the establishment of the APEC Climate Centre (APCC) and underscored the need to set up an institutionalised communication channel for more effective exchanges of information on regional climate prediction and innovative techniques to mitigate adverse effects caused by extreme weather and climate events in the APEC region. They also welcomed the establishment of the electronic International Molecular Biology Laboratory (eIMBL) to facilitate a more effective network in the biotechnology sector.

Ministers recognised the importance of the Emerging Technologies in APEC Workshop scheduled for December 2005 in Bangkok, which would provide an opportunity for member economy experts to discuss and share information on successful approaches to understanding emerging technologies, including information technology, biotechnology, and nanotechnology; and the challenges faced by domestic and organisational innovation systems in nurturing investment, capacity, development, and commercialisation of such technologies.

Ministers welcomed the outcome of the APEC Biotechnology Conference held in Chinese Taipei, which identified factors needed for the growth of the biotech industry in the APEC region.

#### **SMEs and MEs:**

Ministers recognised that innovation was the main driving force that created dynamic SMEs and MEs, and sustained growth in the current globalised marketplace. Ministers also recognised that SMEs in developing as well as developed economies had the potential to play a vital role in advancing innovation, given their flexibility and ability to respond more quickly to current conditions. Ministers emphasised the importance of APEC cooperation in developing appropriate economic and policy environments for APEC SMEs to reach their full innovative potential.

Ministers welcomed the Daegu Initiative on SME Innovation Action Plan adopted at the 12th APEC Ministerial Meeting on SMEs, which provided the Innovation Action Plans for member economies to review and improve their economic and policy environments for SME innovation, both individually and collectively. They welcomed the APEC SME Innovation Centre in Korea that would link SMEs with supporting organisations of member economies. They also recognised the importance of the APEC process in developing and supporting the emergence and sustainable growth of SMEs in the Asia-Pacific region.

Ministers were encouraged by the progress made to advance the goals of the APEC SME Coordination Framework, and applauded the efforts undertaken by the SME Working Group (SMEWG) in this regard. Ministers encouraged the SMEWG to continue its outreach to other APEC fora and to consider highlighting other SME-related activities at the next SME Ministerial Meeting.

Ministers stressed the need for additional APEC activities to promote international trade for SMEs and MEs that had high export potential but lacked a formal channel to export their products and services and committed to continue working to reduce and remove existing impediments for SMEs and MEs to enter international markets. They agreed on the need to continue building on entrepreneurship as well as on the need for further emphasis on microfinance.

Ministers placed particular importance on capacity building, mostly while addressing the social dimension of globalisation with regards to the poverty alleviation dimension of MSMEs.

Ministers welcomed the continued participation of the Women Leaders' Network (WLN) in the Micro Enterprises Sub Group, the SMEWG and the SME Ministerial Meetings, and reaffirmed the importance of the WLN and its efforts to work with APEC on the advancement of gender issues and the promotion of women as an engine for economic growth and job creation throughout the region.

### **Transportation:**

Ministers affirmed the importance of the transportation sector in trade and economic development. Ministers affirmed that measures to secure transportation services should not be operated in a way that reduced trade in the sector.

Ministers affirmed the current policy emphasis of the TPTWG, including the eight (8) options to liberalise air services and nine (9) shipping policy principles to encourage free and competitive access to international liner shipping markets, maritime auxiliary and intermodal services as well as use of technology to enhance efficiency in the transport sector, capacity building, harmonisation of vehicle standards and measures to enhance the security of aviation and maritime services in the region.

### **Sharing Prosperity of the Knowledge-Based Economy (KBE)**

In today's global economy that is increasingly interconnected by technology, Ministers recognised the importance of expanding and improving the digital capabilities and skills of all APEC member economies. Ministers were confident that this would greatly enhance the ability of economies to participate in and contribute to the global economy, thus facilitating trade and investment. Ministers noted the liberalisation process of the telecommunications sector in the APEC region and commended the ongoing work of Telecommunications and Information Working Group (TEL) in advancing this objective.

Ministers welcomed the Best Practices on Implementing the WTO Telecommunications Reference Paper mentioned in the 2005 Lima Declaration by Telecommunications and Information Ministers (TELMIN), which can serve as a guide for economies to implement the principles contained in the WTO Telecommunications Reference Paper.

Ministers welcomed TEL's continuous work on updating Progress Towards Adopting and Implementing the WTO Reference Paper on Basic Telecommunications.

Ministers also recognised the importance of developing regimes that would enhance the ICT regulatory investment and user environments in each economy and welcomed the Effective Compliance and Enforcement Principles adopted by TELMIN. Ministers noted that these documents were important capacity building tools for APEC members towards supporting the WTO Doha Round and achieving the Bogor Goals.

Ministers also noted the progress that had been made by APEC economies in implementing the APEC Mutual Recognition Arrangement on Conformity Assessment, which has facilitated the free flow of telecommunications equipment within the region.

Ministers reaffirmed that the Asia-Pacific Information Infrastructure (APII) was an essential basis for ensuring competitiveness of the region and instructed Officials with TEL to intensify their efforts to achieve an Asia-Pacific Information Society (APIS).

Ministers commended the achievement of more than doubling Internet access in the APEC region since 2000, noted the TEL report Achieving the Brunei Goals Moving Forward and welcomed the Key Principles for Broadband Development in the APEC Region that were adopted at the 6th APEC Telecommunications and Information Industry Ministerial Meeting (TELMIN), which set a new objective of universal broadband access. They recognised the tremendous economic and social benefits that access to and increased use of the internet and broadband could provide, such as increased productivity and commerce, access to education, health and medical services, as well as information dissemination in cases of pandemics and disasters. Therefore, Ministers encouraged APEC economies to follow these principles and to develop and implement domestic policies and regulatory frameworks that maximised broadband deployment, access and usage, including people with disabilities and special needs; facilitation of continued telecom market competition and liberalisation; and confidence building in the use of broadband networks and services.

Ministers reaffirmed the understanding shared among TELMIN that in ensuring marketplace choice and competition, promoting security, encouraging innovation, affirming transparent, technology-neutral and balanced policies, and realising open standard-based interoperability, both open source software and commercial software played an important role.

Ministers recognised the importance of the second phase of the World Summit on the Information Society (WSIS) to be held in Tunisia in November, commended the work undertaken by TEL regarding APEC's input to the WSIS II, and welcomed the report of From APII to APIS: A Contribution to the World Summit on the Information Society to be delivered to the WSIS II meeting.

Ministers continued to encourage efforts aimed at enhancing the digital capabilities of all APEC economies. For this reason, Ministers noted the significant progress made by the

APEC Digital Opportunity Centre (ADOC) aimed at turning the digital divide into digital opportunities. Ministers acknowledged the need for continuing APEC's work in this increasingly important area, and looked forward to future progress that enabled all APEC economies to better participate in the Digital Economy.

Ministers recognised that fulfilling the e-APEC Strategy depended on the integrity and security of the e-commerce environment and commended the work TEL had undertaken in this area. Ministers welcomed the APEC Strategy to Ensure a Trusted, Secure and Sustainable Online Environment developed by TEL; encouraged APEC member economies to take action in the areas identified; and instructed TEL and other appropriate APEC fora to consider means to facilitate implementation of this strategy. Ministers further welcomed TEL's outreach to other relevant international fora, in particular, the successful APEC-OECD workshop on e-Security and Spyware that resulted in a commitment to intensify cooperation and information sharing between the OECD and APEC, including joint research and analysis.

Recognising the importance of uninterrupted information flow, Ministers endorsed the International Implementation Guidance Section of the APEC Privacy Framework and commended the Electronic Commerce Steering Group (ECSG) for its completion and publication of the APEC Privacy Framework, taking note of the two successful technical assistance seminars on domestic and international implementation of the Framework.

### **Macroeconomic Issues**

Ministers supported the Finance Ministers' statement that all economies had a shared responsibility to take advantage of relatively strong global economic performance to address key risks and vulnerabilities in their respective economies. This would help ensure the orderly adjustment of global imbalances and to help achieve more sustainable external positions and stronger medium-term growth.

Ministers endorsed the Economic Committee's (EC) reports for 2005: 2005 APEC Economic Outlook; KBE/New Economy project titled Patterns and Prospects on Technological Progress in the APEC Region; and TILF project titled Follow-up Study on the Impact of APEC Investment Liberalisation and Facilitation.

Ministers commended the EC's continued efforts in maintaining its analytical functions while becoming more policy and action-oriented in its mandate to coordinate and contribute to the structural reform agenda in consultation with the relevant APEC fora and the Finance Ministers' Process.

### **Structural Reform**

Ministers acknowledged that structural reform was a key "behind the border" issue facing APEC economies and an essential vehicle to realise the benefits of trade and investment liberalisation and facilitation.

Ministers, therefore, welcomed the new role of the EC of coordinating structural reform activities across APEC and encouraged the development of capacity building initiatives to narrow gaps identified in the APEC Structural Reform Action Plan.

Ministers welcomed the success of the APEC-OECD Structural Reform Capacity-Building Symposium, which facilitated the sharing of experiences by APEC and the OECD. Ministers welcomed the key findings of the symposium with regard to the contribution that regulatory reform, a key part of structural reform, could make to more open and competitive markets in the APEC region and encouraged the EC to undertake additional work in this area.

Ministers welcomed the APEC Work Plan on LAISR towards 2010 (LAISR 2010) established by the EC, which set out a roadmap to address structural reform issues across APEC over the next five (5) years consistent with the LAISR declaration. Ministers looked forward to further developing this 'whole of APEC' approach to structural reform in 2006, which would include establishing closer links and better coordination with other relevant APEC fora, including the CTI SELI and the CTI CPDG, and the Finance Ministers' Process. Ministers encouraged these groups to collaborate closely with the EC on structural reform issues.

## **Interaction with the Business Community**

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

Ministers recognised the role of ABAC in providing advice on concrete initiatives to improve the business environment in the Asia-Pacific region. They committed themselves and instructed Officials to take such advice into account, where appropriate. Ministers also appreciated ABAC's contribution to the Mid-term Stocktake of APEC's Progress Towards the Bogor Goals. Ministers emphasised the need to continue to strengthen the working relationship between the government and the business sector and affirmed the continuation of a partnership between ABAC representatives and Officials through closer communication so that APEC could share the views of the business community in a timely manner.

### **2. Industry Dialogues**

Cooperation with the industries and other stakeholders in APEC through industry dialogues has developed as a highly effective mechanism for the implementation of key APEC trade facilitation objectives. Ministers welcomed the work of the industry dialogues to improve understanding between the public and private sector and to bolster

APEC's contribution to the DDA, including trade facilitation, tariff and non-tariff barriers and transparency.

### **Automotive Dialogue:**

Ministers noted the Auto Dialogue's efforts to respond to their call for support of the DDA and encouraged the group to expand on its work. Ministers noted the group's growing attention to IPR issues and encouraged the group to more clearly identify issues of concern to the automotive industry, and to coordinate with the Intellectual Property Rights Experts' Group (IPEG), when appropriate. Ministers endorsed the Auto Dialogue's ECOTECH activities, which focused on aiding ASEAN parts suppliers as well as a project to implement customs best practices at the Manila Port in the Philippines.

### **Chemical Dialogue:**

Ministers continued to be concerned over the potential impact of product-related environmental regulations, including the proposed EU Registration, Evaluation and Authorisation of Chemicals (REACH) legislation and the Restriction of Hazardous Substances (RoHS) on international trade, and the burden they could impose on businesses. Ministers called for continued consultations bilaterally and in appropriate international fora to ensure that these initiatives resulted in the protection of human health and the environment without placing unnecessary restrictions on the facilitation of trade. Ministers welcomed the chemical dialogue's report to the MRT on the role of APEC in the implementation of the Globally Harmonised System of Classification and Labelling (GHS). They encouraged APEC member economies to continue to implement the GHS and welcomed the planned APEC Seminar on GHS Implementation and Technical Assistance in Thailand next year.

### **Life Science Innovation Forum (LSIF):**

Ministers noted that there was a growing imperative for enhanced cooperation to develop an environment that fostered innovation in the region to promote the development of a bio-medical life sciences economy and to meet emerging health and economic challenges, including infectious and chronic diseases and the trend in ageing demographics. Ministers welcomed the successful conclusion of the 3rd APEC Life Sciences Innovation Forum (LSIF) in Gyeongju in September. Ministers noted the progress and encouraged continued efforts in implementing the APEC Strategic Plan for Promoting Life Sciences Innovation endorsed by Leaders in Santiago in 2004. They endorsed the recommendations of the LSIF to implement projects in priority areas, including research, access to capital, harmonisation with international standards, and health services.

### **Non-Ferrous Metals Dialogue (NFMD):**

Ministers welcomed the 1st Non-Ferrous Metals Dialogue (NFMD) and looked forward to its contribution to a better understanding on the issues related to facilitating the non-

ferrous metals trade. Ministers also welcomed the work plan agreed upon at the 1st NFMD containing the following elements: formation of a network of non-ferrous metals industries, development of questionnaires for industries to identify the most important areas of cooperation, and development of a matrix of non-ferrous metals industries business recommendations. Ministers noted, particularly, that collaboration with the Chemicals Dialogue and the CTI SCSC this year set a good example of creating synergy in APEC.

### **High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB):**

Ministers acknowledged the importance of realising the benefits of agricultural biotechnology through increased agricultural productivity, improved food security and the protection of environmental resources. Ministers welcomed the outcomes of the 4th APEC High Level Policy Dialogue on Agricultural Biotechnology held in the margins of SOM I in Seoul in March. Ministers noted the Dialogue's recommendations that many factors, including cost implications and the value of a transparent, science-based approach to agricultural biotechnology, were relevant to a discussion on the implementation of international treaty obligations, including the Cartagena Protocol on Biosafety. Ministers also acknowledged the value of encouraging intra-governmental dialogue as member economies considered the development and implementation of biotechnology policies, including the implementation of the Cartagena Protocol on Biosafety.

Ministers supported the 5th High Level Policy Dialogue on Agricultural Biotechnology, which will be held in Viet Nam in 2006.

Ministers also encouraged APEC economies to participate in the upcoming Conference on Biosafety Policy Options, which will take place in January 2006 in Manila, and to facilitate discussions at the 5th High Level Policy Dialogue. The conference will focus on exploring policy options for Biosafety regulations in the APEC region.

### **Cross Cultural Communication**

Ministers welcomed the 2005 report of the APEC Focal Point Network on Cross-Cultural Communication (CFPN) and endorsed its recommendations. Ministers commended the work of the CFPN in identifying areas to foster mutual understanding among member economies.

Ministers instructed Officials to make an effort to undertake CFPN's recommendations to enhance intercultural understanding and the visibility of APEC. These included: strengthening information sharing through the APEC website; APEC Cultural Cooperation Events; an APEC Young Artists Gala; and an Annual Coordinator's Report to Senior Officials on CFPN Activities.

Ministers welcomed the successful hosting of the APEC Film Week: A Special Screening for APEC Films held in Busan in October. Ministers recognised that it contributed to enhancing mutual understanding among APEC member economies and paved the way for further development of APEC's cultural cooperation activities.

Ministers noted that cultural exchange and cooperation would allow APEC to advance closer towards APEC's vision of an Asia-Pacific community. They encouraged members to continue to work for promoting cross-cultural communication within APEC.

### **Gender Integration**

Ministers welcomed the report of the Gender Focal Points' Network (GFPN) and commended the efforts of the GFPN to integrate gender issues into APEC processes and activities.

Ministers reaffirmed the important contributions of women in APEC economies and acknowledged that women's participation in trade and investment as workers, entrepreneurs, and investors, particularly through women-owned and -managed MSMEs, was a key factor to sustained regional economic growth.

Ministers recognised that critical to achieving and reinforcing APEC's goals on gender integration, further initiatives to promote and facilitate the increased participation of women in decision-making was needed. Ministers welcomed the proposal of the GFPN to deliver periodic gender information sessions and gender analysis training to Officials to improve their understanding of the differential impact of trade liberalisation and facilitation on men and women and to increase the effectiveness of the design, implementation, monitoring, and evaluation and communication of policies and projects so as to include gender considerations through gender-responsive policies and projects.

Ministers noted the need to improve the implementation of the Framework for the Integration of Women in APEC and called upon fora and economies to take measurable steps to apply and advance the Framework. Ministers also encouraged APEC fora and economies to appoint a Gender Focal Point who could participate in the GFPN meetings. Ministers welcomed the Initiative for APEC Women's Participation in the Digital Economy 2005 Training for Women's IT Capacity Building in APEC economies. They also noted the progress in follow-up activities to the APEC project Supporting Potential Women Exporters by the CTI to identify and implement trade facilitation and transparency measures that met the needs of women exporters and small business and called for the adaptation of research results in local languages and wide dissemination in APEC member economies. Ministers endorsed two GFPN project proposals - Integrating Gender Expertise Across Fora and Gender Analysis Training - to further promote and intensify gender integration in APEC.

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## **Youth**

Ministers welcomed the success of the APEC 2005 Youth Plaza held in Korea in August under the theme APEC Youth in the Cyber World. They also welcomed the Seoul Declaration towards a Healthy e-World and recognised the need to expand digital opportunities to APEC Youth. Ministers welcomed the APEC Youth Technology Innovation Collaboration (TIC100) Conference that was held in September. Ministers encouraged and supported Viet Nam's proposal to organise APEC Youth Camp 2006.

## **Non-Member Participation**

Ministers endorsed the newly Revised Consolidated Guidelines on Non-Member Participation in APEC Activities, which will replace the 2002 Guidelines when it expires at the end of the year. Ministers welcomed the newly revised Guidelines as an effective way to strengthen the cooperation between APEC and ABAC by facilitating ABAC's participation in APEC activities.

## **APEC Reform**

Ministers endorsed the report on APEC Reform and Financial Sustainability that focuses on three areas: APEC financial reform, higher efficiency through better coordination and continuous reform. They commended the 2005 APEC reform achievements as they contributed to keeping APEC relevant and effective in the rapidly-changing international environment with the adoption of measures that secured financial sustainability, developed a more effective work structure and pursued continuous reform.

Ministers noted the shared understanding among Officials to increase members' annual contributions in 2007 and 2008 in accordance with each member's financial procedures as a way to ensure APEC financial sustainability. They also welcomed the decision of improving the project assessment procedure through appropriate division of labour between the Budget and Management Committee (BMC) and the APEC Secretariat.

Ministers welcomed the decision of Officials to transform the SOM Committee on ECOTECH (ESC) into the SOM Steering Committee on ECOTECH (SCE). They acknowledged that an enhanced mandate to undertake the coordination function and to rank project proposals of Working Groups by the reconstituted SCE would contribute to strengthening coordination of ECOTECH activities. They also welcomed the decision for better coordination among the sub-fora, Working Groups and Task Forces through such measures as reviewing their terms of reference and quorum.

Ministers instructed Officials to keep the APEC reform agenda a priority item in the future and to make APEC more effective and reliable.

Ministers urged member economies to consider bestowing contributions to either the ASF or the TILF account as a means to broaden APEC's funding base.

## **Sectoral Ministerial Meetings**

### **1. Energy and Mining Ministerial Meetings**

Ministers welcomed and supported the outcomes of the 7th Energy Ministers' Meeting held in Gyeongju in October, as aforementioned in the Energy Security section. Ministers also welcomed the success of the 2nd Meeting of Ministers Responsible for Mining held in Gyeongju in October and confirmed their commitment to the economic, environmental, and social dimensions of sustainable development, and recognised the importance of the mining and metals industry as a platform for reaching greater development in many APEC economies.

### **2. APEC Ocean-Related Ministerial Meeting**

Ministers welcomed the outcomes of the 2nd APEC Ocean-Related Ministerial Meeting held in Bali in September. Ministers commended the Bali Plan of Action (BPA), which contained practical commitments to progress the 2002 Seoul Oceans Declaration by taking substantial and concrete steps to balance sustainable management of marine resources and the marine environment with economic growth. Ministers instructed all relevant APEC fora to take due note of the BPA in order to ensure coherence and consistency among the broad range of APEC activities that were supportive of it.

### **3. Finance Ministers' Meeting**

Ministers welcomed and supported the outcomes of the 12th APEC Finance Ministers' Meeting (FMM), which had noted that all member economies needed to put in place the appropriate policies and strategies to address the importance and urgency of the challenges that came with ageing populations in the APEC region, and emphasised the importance of open, well-supervised and systemically sound financial services sectors in promoting free and stable capital flows in the region. Ministers also welcomed domestic reform and international cooperation espoused in the Finance Ministers' Jeju Declaration, aimed at addressing the common concerns of member economies regarding the issue of population ageing.

Ministers also welcomed the FMM's deliberations on the financial services negotiations in the Doha Development Round, combating terrorist financing, promoting FDI, and the need for further improvements in remittance services and their oversight to facilitate more efficient transmission of this increasingly important international financial flow.

### **4. SME Ministerial Meeting**

Ministers welcomed the aforementioned outcomes of the 12th APEC Ministerial Meeting on SMEs held in Daegu in September, in particular the adoption of the Daegu Initiative on SME Innovation Action Plan and the APEC SME Innovation Centre.

### **5. Ministerial Meeting on the Telecommunications and Information Industry**

Ministers welcomed the aforementioned outcomes of the 6th Ministerial Meeting on the Telecommunications and Information Industry (TELMIN 6) held in Lima in June, in particular the adoption of the Lima Declaration and the Program of Action for TEL.

### **APEC Secretariat**

Ministers noted with satisfaction the Report of the Executive Director of the APEC Secretariat and commended the APEC Secretariat for its efforts throughout the year in support of the host economy and the APEC process at large.

Ministers welcomed the successful conclusion of negotiations on the Supplemental Agreement to the Agreement between the Government of Singapore and the Secretariat of the Asia-Pacific Economic Cooperation Organisation relating to the Privileges and Immunities of the APEC Secretariat and noted that the Supplemental Agreement would provide greater clarity to the maintenance responsibilities of the APEC Secretariat and the Government of Singapore.

Ministers took the opportunity to express their appreciation to the Government of Singapore for the hospitality it had extended to the APEC Secretariat since its inception in 1993.

### **ACMS and AIMP:**

Ministers welcomed the development by the APEC Secretariat of the APEC Collaboration and Meeting System (ACMS) and an APEC Information Management Portal (AIMP).

### **Guidebook on APEC Procedures and Practices:**

Ministers welcomed the Guidebook on APEC Procedures and Practices prepared by the APEC Secretariat as a key reference document for hosts in preparing future APEC meetings.

### **Official Observers**

Ministers welcomed APEC's interaction with its Official Observers, the ASEAN Secretariat, Pacific Economic Cooperation Council (PECC) and the Pacific Islands Forum (PIF), and noted their recommendations for APEC such as contained in the PECC Seoul Declaration adopted this year.

### **Future meetings**

Ministers noted the preparations for APEC 2006 by Viet Nam. They noted that future APEC Ministerial Meetings would be held in Australia in 2007, Peru in 2008, Singapore in 2009 and Japan in 2010.

### **Approval of SOM Report**

Ministers approved the SOM report, including the decision points therein, in particular, the proposed APEC budget and the assessment of members' contributions for 2006.