

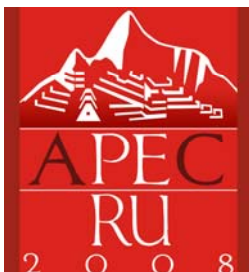


**Asia-Pacific
Economic Cooperation**

2008/AMM/015
Agenda Item: IV

2008 Progress Report on the APEC Regional Economic Integration Agenda

Purpose: Consideration
Submitted by: SOM Chair



20th APEC Ministerial Meeting
Lima, Peru
19-20 November 2008

2008 Progress Report on the APEC Regional Economic Integration Agenda

Background

In Sydney last year, APEC Economic Leaders endorsed the report on *Strengthening Regional Economic Integration*. Leaders asked Ministers and officials to carry forward this work and to report in 2008 with a summary of steps taken to promote regional economic integration.

The international economic environment has changed dramatically since APEC Economic Leaders last met in September 2007. Our economies are now facing unprecedented turmoil on global financial markets. The region has also had to deal with volatile and record high commodity and food prices. These events have significantly increased the downside risks for regional economic growth.

Concerted regional action on trade, investment, economic and financial policies through APEC – in addition to an early and successful conclusion of WTO Doha Development Agenda - can boost economic confidence in our economies in the face of a possible global slowdown. Accelerating the Regional Economic Integration (REI) Agenda agreed to by Leaders could mitigate adverse effects flowing from the current crisis.

This report summarises the main achievements in the REI agenda in 2008. It also highlights key areas of APEC's work in the economic field that we plan to advance as part of the REI agenda in 2009 and, in some cases, beyond. A number of the 53 agreed actions from the 2007 report have been completed and significant progress has been made on a large portion of those still pending.

Supporting the multilateral trading system

- ◆ Maintaining support for the multilateral trading system continues to be APEC's highest trade priority. The APEC Ministers Responsible for Trade issued a stand alone statement in May calling for a prompt, ambitious and balanced conclusion to the WTO Doha Development Agenda (DDA) negotiations this year.
- ◆ In August, APEC Senior Officials expressed their disappointment over the impasse in the DDA negotiations in Geneva in July 2008, and stressed that real progress made should not be lost. They further agreed that a successful conclusion of the DDA negotiations would provide a boost to a faltering global economy and especially benefit developing economies.

Reaffirming our commitment to the Bogor Goals

- ◆ We reaffirmed our commitment to the Bogor Goals of free and open trade and investment in the Asia-Pacific by 2010 for developed economies and 2020 for developing economies. The Individual Action Plan (IAP) peer reviews in 2008 of Canada, Chile, Mexico, Peru, Singapore and the United States further demonstrated the continuing progress made by APEC economies across all areas of trade and investment towards achieving the Bogor Goals.

Exploring a Free Trade Area of the Asia-Pacific (FTAAP)

- ◆ In 2008 we examined the options and prospects for an FTAAP as a long-term prospect through a range of practical and incremental steps. We compiled a preliminary inventory of issues relevant to a possible FTAAP that would need to be addressed as part of a possible preparatory process. We agreed that a possible FTAAP should be WTO-consistent and promote greater regional economic integration. It should also fully complement and support the achievement of the Bogor Goals and help address the complexity created by the current array of Regional Trade Agreements (RTAs) and Free Trade Agreements (FTAs) in the region. We identified several issues that require further examination including: the potential implications of an FTAAP for APEC processes; the feasibility of an FTAAP; the possible vehicles to reach an FTAAP; and how to assess the likely capacity-building requirements for any future negotiations. This inventory will be updated and expanded on as APEC continues to examine the implications, options and prospects for an FTAAP in 2009 and beyond.

- ◆ We completed an analytical study on identifying convergences and divergences in 14 chapters of 30 APEC RTAs/FTAs. The study found that in particular chapters the substance and intent of the rules employed in existing agreements did not vary markedly, whereas in other areas a higher level of divergence could be identified. We will continue to take this effort forward, including expanding and deepening the study on convergences and divergences in 2009. In addition, we will undertake work to achieve greater convergence and minimize divergence in key areas based on the results of this study, including customs administration, trade facilitation, and cross-border services.
- ◆ We have completed a review of existing analytical work relevant to a possible FTAAP and assessed the need for additional work in this area. The existing analysis suggests that there would be significant challenges to the creation of FTAAP but it would likely be beneficial to member economies and could provide a stimulus to global free trade. We plan to undertake further analysis on the likely economic impact, benefits and challenges of an FTAAP in 2009.
- ◆ We also explored the concepts of enlarging, docking, and merging FTAs in the APEC region. We agreed to continue this effort in 2009, including by studying the feasibility of enlarging, docking or merging FTAs using real world examples both in and outside of the Asia-Pacific region.

Supporting regional economic integration through RTAs/FTAs

- ◆ We began an examination of the challenges arising out of the complexity of rules of origin (ROOs) and associated procedures in existing trade agreements in the region, and discussed ways that preferential ROOs might be rationalized.
- ◆ This year, the APEC work program on model measures for RTAs/FTAs allowed us to add new chapters on competition policy, environment, temporary entry of business people, customs administration and trade facilitation, and safeguards, resulting in a catalogue of 15 completed chapters. This work provides a solid basis for promoting high-standard regional RTAs/FTAs and greater coherence among bilateral and regional arrangements.
- ◆ We made progress on the study of bilateral investment agreements and core-investment-related activities of existing free-trade agreements. This work will continue in 2009 and form the basis for a set of principles for investment agreements.

Facilitating business activity through an expanded trade and investment agenda

- ◆ We have agreed to intensify the implementation of APEC's second Trade Facilitation Action Plan (TFAP II) to reduce regional trade transaction costs by an additional five percent by 2010. We have identified specific areas where early action would lead to substantial benefits and we also have agreed on a set of key performance indicators and reporting methodologies to assess progress towards achieving this goal.
- ◆ Ministers Responsible for Trade (MRT) endorsed the APEC Investment Facilitation Action Plan (IFAP) this year which aims to strengthen regional economic integration and contribute to achievement of the Bogor Goals. The IFAP contains a menu of actions and measures that economies can implement to improve their investment environment. It should lead to considerable benefits for investors and investment agencies alike and therefore promote sustainable economic growth, competitiveness and employment opportunities in the region. We have agreed to develop a work program on implementation of the actions agreed in the IFAP including the development of reporting methodologies by MRT in 2009.

Supporting structural reform

- ◆ The Structural Reform Ministerial Meeting (SRMM) held in Melbourne in August 2008 was highly successful. An effective program to strengthen regional economic integration consists of a range of at-the-border and behind-the-border measures. Ministers recognized the mutually reinforcing nature of trade and investment policy, structural policy and macro-economic and financial sector policy, and the role they play in strengthening regional economic integration.

- ◆ The SRMM resulted in agreement to advance the APEC Leaders' Agenda to Implement Structural Reform (LAISR) and take further steps to address behind-the-border barriers that hinder economic performance. The SRMM endorsed a Good Practice Guide on Regulatory Reform as a useful tool for economies to voluntarily review existing regulation and assess the impact of new regulation. It also agreed to voluntary reviews or self reviews of member economies' institutional frameworks that support structural reform.
- ◆ Ministers committed to identify and prioritize reform efforts to address key behind-the-border barriers, with inputs from the business community, and to develop a program of capacity building initiatives targeted at the priorities of individual or small groups of member economies, including in the areas of regulatory reform and corporate governance. The APEC-OECD Integrated Checklist on Regulatory Reform, the OECD Competition Assessment Toolkit and the World Bank Ease of Doing Business Survey, and the 2008 APEC Economic Policy Report on Competition Policy provide useful references for economies in implementing structural reform.

Strengthening Financial Markets

- ◆ APEC Finance Ministers explored strategies to strengthen and deepen capital markets, including implementing a new policy initiative to support the development of a diversified and sound institutional investor base. This initiative will promote better policy approaches for removing investment rules that hamper investor participation and help economies improve regulatory frameworks and enforcement processes to encourage better corporate governance and transparency in financial markets.
- ◆ Finance Ministers also agreed to a set of common principles to provide guidance in developing well-functioning and transparent markets for public-private partnerships (PPPs). These principles will help guide economies in addressing a range of structural regulatory and fiscal challenges to developing PPP markets – an important instrument in meeting infrastructure investment requirements. Member economies, together with APEC Business Advisory Council (ABAC), will continue to cooperate in the development of financial systems and capital markets. APEC will continue to identify appropriate capacity-building and information-sharing initiatives such as the *Catalogue of Policy Experiences and Choices* - a recently established web-based information-sharing facility.

Sectoral issues and private sector engagement

- ◆ The Leaders' Brunei Goal of Tripling Internet Access within the Asia-Pacific region set in 2000 has been achieved. Ministers Responsible for the Telecommunications and Information Industry made a commitment in Bangkok this year to continue efforts to expand the reach of communications networks by setting an ambitious goal of achieving universal access to broadband by 2015.
- ◆ The Small and Medium Enterprises (SMEs) Ministerial Meeting, held in August this year promoted policy, business and regulatory environments that foster the growth of SMEs as part of a sustainable economic development strategy.
- ◆ Significant progress has been made on the development of an APEC Energy Trade and Investment Action Plan. The Action Plan will address behind-the-border barriers to increasing energy investment and trade in the region.
- ◆ APEC continued to work closely with the private sector, including through ABAC, in the implementation of the REI Agenda and we will explore the possibility of holding back-to-back ABAC and Senior Officials Meetings in the future in an effort to enhance exchanges between all stakeholders.

Strategic Approach to expanding Capacity Building

- ◆ We strengthened APEC's capacity building work to support REI by developing a more strategic approach that includes longer term capacity building projects. We will continue to improve the

APEC Secretariat's ability to coordinate and evaluate capacity building projects to develop and implement APEC's trade, investment and structural reform agendas.

- ◆ The APEC Policy Support Unit (PSU) became operational in July 2008 and a comprehensive work program has been established. APEC will be more effective as a result of having an in-house analytical capability to support APEC's economic agenda.

Recommendations

That APEC Leaders:

- ◆ Note the steps taken to promote regional economic integration in 2008 through the APEC REI Agenda and endorse this report;
- ◆ Endorse and instruct Ministers and officials to take the actions for continued implementation of the REI Agenda in 2009 and beyond as laid out in the annex to this report; and
- ◆ Instruct Ministers and officials to report back with a summary of progress on efforts to implement the REI Agenda in 2009.

The APEC Regional Economic Integration Agenda

Regional Economic Integration Agreed Action		Fora	Lead Economies	2008	2009	2010
Supporting the multilateral trading system						
We will continue to support the multilateral trading system through strong and unambiguous political commitments as well as a range of supportive, practical and concrete actions.	SOM, CTI	All	MRT (Stand-Alone) Statement on Doha Development Agenda	Ongoing		
We reaffirm that the Doha Round provides the best opportunity for achieving trade liberalisation and that it remains our first priority	SOM, CTI	All	Strong support from APEC Economies to bring the Doha Round to a successful conclusion in 2008.	Ongoing		
Reaffirming our commitment to the Bogor goals						
APEC region reaffirms their commitment to achieve the Bogor Goals and will continue to take concrete actions to free and open trade and investment	SOM	All	Individual Action Plan (IAP) Peer Reviews of Canada, Chile, Mexico, Peru, Singapore and the United States.	Individual Action Plan (IAP) Peer Reviews of Brunei Darussalam, Indonesia, Malaysia, Thailand, Papua New Guinea, Philippines, Russia and Viet Nam.		
APEC region underlines in particular the role played by the Busan Roadmap and the Hanoi Action Plan to advance this goal.	SOM	All				
Exploring a Free Trade Area of the Asia-Pacific (FTAAP)						
Through a range of practical incremental steps, we will examine the options and prospects for a FTAAP, including:	Compiling an inventory of issues relevant to an FTAAP that would need to be addressed as part of a possible preparatory process and examining their possible implications	SOM	New Zealand/ China/ Japan/ US/ Singapore/ Thailand/ Chinese Taipei/ Indonesia	Compilation of a preliminary inventory of issues relevant to an FTAAP.	Further work on implications of an FTAAP for APEC processes and identification of possible capacity-building requirements.	
	Conducting an analytical study of existing bilateral and plurilateral free-trade agreements in the region with the aims of increasing knowledge of their similarities and differences, enabling economies to identify possible ways in which the FTAAP concept could be furthered	SOM, CTI	Peru/ New Zealand/ US/ Japan/ Chile/ Korea	Completion of the initial tranche of a study on identifying convergences and divergences in APEC RTAs/FTAs.	Expand and deepen the convergence/divergence study by adding to the agreements and chapters covered. Based on the results of the convergence/divergence study, seek to achieve greater convergence and minimize divergence in key areas (e.g., customs administration, trade facilitation, and cross-border services).	
	Undertaking a review of existing analytical work relevant to a possible FTAAP and assessing the need for any additional analytical work	SOM, CTI	Korea/Peru/ Indonesia	Initial review of existing analysis relevant to a possible FTAAP and assessment of the need for future work.	Conduct analytical work on the economic impact of an FTAAP and specific benefits and challenges for APEC economies of such an agreement.	
	Examining the feasibility of docking or merging existing free trade agreements	SOM, CTI	Australia/ Japan	Exploration of the concepts of enlargement, docking or merging of existing agreements.	Study the feasibility and applicability of enlarging, docking or merging methodology by using real world examples	
Supporting regional economic integration through RTAs/FTAs						
We will strengthen APEC's work promoting high-quality, comprehensive RTAs/FTAs that open markets and promote economic integration while seeking to promote consistency among agreements and maximise their trade and economic benefits. In this regard, we will:	Complete by 2008 the program of comprehensive and high-quality model measures of commonly accepted chapters for RTAs/FTAs and identify ways to facilitate their use as a guide to negotiating RTAs/FTAs	CTI	Thailand/ Japan/ Singapore/ Australia/ Chile/ New Zealand/ Canada/ US/ Korea	Completion of APEC Model Measures for RTAs and FTAs.		
	Examine the various types of preferential rules of origin used in the APEC region with the aim of increasing knowledge of their similarities and differences	CTI, CD, AD	Mexico / US	Chemical Dialogue under CTI started a study on ROOs for Chemical Chapter. Proposal under the Automotive Dialogue to advance work on automotive rules of origin (ROOs) (for consideration at CTI in 2009).	CD and AD work on ROO will continue and contribute to the MAG ROO work program initiated by US and Australia. Outcomes will be presented as part of the CTI 2 TPD on ROO.	
		CTI, MAG	US/Australia	Agreement on the US/Australia proposal for MAG to work on ROOs to support REI and extend ROO studies to other chapters: definition of sectors is pending. Trade Policy Dialogue at CTI3 on the effects of ROOs on trade.	Complete work on preferential rules for 3-4 sectors by end 2009 with selection of additional sectors for examination in 2010. To hold a CTI TPD on ROOs.	Continue work on additional sectors for examination in 2010.
Explore in close cooperation with the business sector how rules of origin used in economies' RTAs/FTAs might be rationalised	CTI, ABAC	Japan/ US/ Australia	See agreement on the US/Australia proposal for MAG to work on ROOs and Trade Policy Dialogue at CTI3 on the effects of ROOs on trade.	To address business difficulties relating to ROO by minimizing and streamlining the current complexity of product specific rules. MAG and SCCP to work together to address these concerns.		
Expand dialogue on examining ways to achieve greater consistency in key provisions of RTAs/FTAs in the region	CTI	All	See completion of APEC Model Measures for RTAs and FTAs and completion of the study on convergences and divergences in APEC RTAs/FTAs.	Based on the results of the convergence/divergence study, seek to achieve greater convergence and minimize divergence in key areas (e.g., customs administration, trade facilitation, and cross-border services).		

Regional Economic Integration Agreed Action		Fora	Lead Economies	2008	2009	2010
	Undertaking a study of bilateral investment agreements and core investment-related elements of existing free-trade agreements with a view to developing principles for investment agreements	CTI, IEG	Japan/ New Zealand/ Australia	Progress on the study "Identifying Core Elements in Investment Agreements in the APEC Region (Phase 2)".	Finalization of this study.	
	Exploring the possibility of building on the model measures trade facilitation to provide more specificity and content	CTI, EC		CTI approved the inclusion of ABAC's draft model measure on customs administration and trade facilitation as part of the 2008 package.	Building upon earlier work done to expand the scope of the model measure to include relevant aspects of trade logistics	
Facilitating business activity through an expanded trade and investment agenda						
We will refocus APEC's trade and investment liberalisation and facilitation agenda on concrete initiatives that accelerate regional economic integration and reduce behind-the-border barriers, particularly in ways that would improve the investment climate in APEC economies and their competitiveness, including:	Reducing trade transaction costs by implementing APEC's second Trade Facilitation Action Plan – addressing in particular collective actions on standards and conformance, customs procedures, e-commerce and business mobility. In particular, we agree to:	CTI, SCCP, SCSC, BMG, ECSG	Japan/ Hong Kong, China/ Mexico	Endorsement of Key Performance Indicators for TFAP II.	Report on KPIs to measure the progress of collective actions/pathfinders in TFAP II . Commence work on Trade Logistics. A CTI TPD on Trade Logistics will be held at CTI1 to explore areas for future work.	Finalization of the TFAP II
	• advance the single customs windows initiative that will provide a strategic direction and common understanding for single windows in APEC economies	CTI, SCCP	Australia	Endorsement of Terms of Reference, work plan and timeline for the APEC SCCP SWWG Phase 2, as well as Recommendations 3, 4, 5 and 6 of the Single Window Strategic Plan.	Continue analysis of the Recommendations of the Single Window Strategic Plan	
	• pursue international implementation of the APEC Privacy Framework through the development of a voluntary cross-border system of data privacy rules	CTI, ECSG	Peru/ Australia/ US/ Canada/ Singapore	Increased participation in the Data Privacy Pathfinder to 16 economies. Data Privacy Seminars (Peru).	Continue implementation of the Data Privacy Pathfinder, through capacity building activities	
	• Launching the region-wide Cooperation Initiative on Patent Acquisition Procedures	CTI, IPEG	Japan/US	Approval of the Survey on Patent Examination Cooperation Practices among APEC economies.	Discussion of a Roadmap for Patent Cooperation Initiative on Patent Acquisition Procedures.	
	• Launching a customs clearance initiative that would facilitate customs procedures for low-risk shippers	CTI, SCCP			Work to be encompassed as part of new CTI trade logistics roadmap	
	• Pursuing membership in the APEC Business Travel Card (ABTC) scheme by all member economies	CTI, BMG	Australia	Increased Participation in the ABTC scheme to 20 economies.	Improving and enhancing usage of ABTC amongst existing participants	
	• Exploring ways to reduce barriers to trade in environmental goods and services	CTI, MAG, GOS	New Zealand/ US/ Canada/Singapore/China	MAG Workshop on Environment Goods and Services (EGS) (Climate Change) held on 20 May 2008. Agreement on the substance of Singapore's proposal for initiating an EGS work programme framework. GOS Survey on trade liberalization in environmental services (China)	Agreement on work plan on environmental goods and services at MRT 2009. Begin implementation of key agreed EGS-related projects	
	• Encouraging collaboration with other international organisations to help achieve the economic and trade goals of APEC member economies	CTI, SCE		Work undertaken in collaboration with World Bank, UNCTAD, OECD, IADB, among other international organizations in several areas of REI agenda.	Ongoing	
We are determined to improve further the investment climate in APEC economies and the Asia-Pacific region by reducing major impediments to investment. In that regard, we agree to:	• identify domestic restrictions that have the effect of deterring investment to complement the work done on border measures	CTI, IEG, EC	Singapore, Brunei Darussalam, Peru, Japan	Study on "Measuring the Ease of Doing Business in APEC" (2008-2009), as part of the work plan on Private Sector Development (Ease of Doing Business).	Study will be presented at EC2 2009 as part of the usage of EoDB as a tool by which priority areas for regulatory reform can be identified by AMM 08	
	• develop an Investment Facilitation Action Plan in APEC	CTI, IEG	Japan	APEC Investment Facilitation Action Plan endorsed by MRT.	Finalize the implementation plan of the IFAP (including development of Key Performance Indicators, follow-up capacity building activities, reports and other aspects of implementation by sub-fora and fora).	Completion of the APEC Investment Facilitation Action Plan.
	• give high priority to focused capacity building activities to assist investment climate reform and promote investment liberalisation and facilitation, for example:	CTI, IEG	Japan	Capacity Building activities	Ongoing	
	- the use of diagnostic tools developed by relevant international organisations	CTI, IEG	Singapore/ Australia	See IEG-EC joint study "Measuring the Ease of Doing Business in APEC" IEG project "Ease of Doing Business: Investment at the Sub-National Level to Promote Domestic Economic Integration (Phase I)"	Ongoing	
	- expand dialogue on how APEC member economies undertake investment policy reform and share the experiences and lessons among member economies	CTI, IEG	Japan/ Peru/ US/ Mexico/ Australia/ Singapore/ Canada	IEG seminars were held on: 1) Recent Trends on Investment Liberalization and Facilitation in Transport and Telecommunications Infrastructure and 2) Sharing Success Factors of Improvement of Investment Environment, Phase 1 IEG project being developed jointly with UNCTAD for Addressing Knowledge Gaps in the Use of FDI (Stage 1 and 2).	Second phase of the IEG Capacity Building Seminar on Sharing Success Factors of Improvement of Investment Environment	

Regional Economic Integration Agreed Action		Fora	Lead Economies	2008	2009	2010
	- undertake work on risk-sharing Public-Private Partnerships, where appropriate, as a means of increasing investment levels	CTI, IEG, FMP	Australia/Indonesia / Viet Nam	The Finance Ministers' Process gave consideration to the development of public-private partnership principles. Building Fiscal Sustainability through Better Risk Management of PPP Projects (Phase II): a one-day seminar and a one-day workshop held from 19-20 May 2008 in Ho Chi Minh City.	Ongoing	
Supporting structural reform						
We will strengthen APEC's work on structural reform and provide greater resources and institutional capacity to support it. In this regard, we will:	Strengthen the capacity of the APEC Secretariat to assist member economies in policy dialogue on structural reform and in strengthening domestic institutions and policies that support the reform process.	SOM	Japan/Australia/Singapore	Establishment of APEC Policy Support Unit.	Expansion of PSU work to encompass SR related issues undertaken in other fora eg CTI (Trade Logistics, investment) and SFOM (Food security)	
	Identify and prioritise reform initiatives under the Leaders' Agenda on Structural Reform (LAISR) five themes with the best potential to improve economic growth and trade	EC, CPDG, SELI	Japan/Australia/Peru/ New Zealand/ US/ Hong Kong, China	EC forward work programme for LAISR - updated version APEC Economic Policy Report (AEPR) 2008 on Competition Policy (Peru)	APEC Economic Policy Report (AEPR) 2009 on Regulatory Reform (Singapore)	Finalization of the Leader's Agenda for Implementing Structural Reform
	Accelerate the work being undertaken under the Private Sector Development Agenda, using the World Bank's Ease of Doing Business indicators as a guide to best practice	EC, SME-WG, IEG, SELI, CPDG	New Zealand/Canada	Plan to accelerate the APEC work programme on private sector development: SMEWG endorsed a revised work plan to accelerate activities conducted under the Private Sector Development Agenda.	Ongoing	
	Provide high-level guidance for LAISR by calling a meeting on structural reform issues at a ministerial level	SOM, EC	Australia/Peru/Indonesia	A successful Ministerial Meeting on Structural Reform was held in August.	Voluntary reviews or self reviews of member economies' institutional frameworks that support structural reform.	
Strengthening financial markets						
We will intensify efforts to strengthen and deepen financial markets within the APEC region. In this regard, we will:	Explore options to secure diversified and deeper capital markets	SFOM	China	APEC Public-Private Sector Forum on Bond Market Development, held on July 9th, in Cusco, Peru. Workshops, seminars and forums held under the APEC Finance Development Program (AFDP)	Australia's proposal for supporting the development of a diversified and sound institutional Investor Base (subject to approval)	
	Address domestic structural policies and systems that pose barriers to deepening and developing financial markets through capacity building and information sharing in ways that corresponds to member economies' individual circumstances	SFOM	Australia	Training Seminars and workshops under the APEC Financial Regulators Training Initiative (FRTI) and the Asia-Pacific Finance and Development Centre.	Ongoing	
	Examine options for greater cooperation in the development of financial systems and capital markets and identify appropriate capacity-building and information-sharing initiatives, including initiatives to enable financial institutions in APEC economies to achieve global standards	SFOM	Australia/Indonesia/China/Viet Nam	Facilitate information sharing between APEC economies on financial sector reform through the use of the web-base resource: The Catalogue of Policy Experience and Choices	Ongoing	
Sectoral issues and private sector engagement						
We instruct APEC to place a greater focus in sectoral ministerial meetings on initiatives that promote economic development and integration in the APEC region. This may include:	Transport—Review the implementation of the APEC Eight Options for More Competitive Air Services and identify further steps to liberalise air services in accordance with the Bogor Goals; identify measures to improve maritime port efficiency and foster competition in maritime transport	TPTW G		(Air Services) Survey to update the 8 Options for More Competitive Air Services (Air Services) Multiple Airline Designation was agreed as first priority for annual review from the 8 Options.	Update on status of 8 options survey and reviews, develop TPT REI initiatives as part of APEC's new trade logistics initiative	
	Minerals and mining—Examine the recommendations made in the 2007 study on impediments to trade and investment in mining and propose possible actions for APEC by 2008 APEC Ministerial Meeting	MTF	Russia, Peru, Chile, Canada	Study on "Investment Attractiveness in Mining"	Ongoing	
	Environment—Support the work being done in ICAO to develop a balanced approach to addressing emissions from aviation operations	TPTW G		Successful aviation-emissions seminar Kuala Lumpur, Malaysia, in April 2008, and formation of the Aviation Emissions Task Force that met in Auckland, New Zealand, in July 2008.	Ongoing	
	Telecommunications—Implement mechanisms to achieve the Asia Pacific Information Society	TEL		Achievement of the Leaders' Brunei Goal of Tripling Internet Access within the Asia-Pacific region set in 2000. Bangkok Declaration goal of achieving universal access to broadband by 2015		
	Small and Medium-Sized Enterprises (SMEs)—Promote the appropriate economic environment to foster the establishment, growth and development of micro, small and medium-sized enterprises and develop strategies to increase their competitiveness in the global trading system	SMEWG	Peru	Private Sector Development Initiative. SME Ministers Approved the SME Strategic Plan 2009-2012.	Implementation of the SME Strategic Plan. Agreement on nature and methodology for medium term KPIs.	Ongoing Implementation
	Energy—Commission an expert study to identify barriers to trade and investment in energy, including behind-the-border barriers, to the adoption of new, cleaner and more efficient fuels and technologies. Form an APEC Energy Investment and Trade Roundtable to develop a plan of action to address identified barriers, tailored to the needs of individual economies	EWG	Australia	APEC Energy Trade and Investment Final Study Report APEC Energy Trade and Investment Roundtable, held in Cairns, Queensland, Australia (30 September - 2 October)	Ongoing	

Regional Economic Integration Agreed Action		Fora	Lead Economies	2008	2009	2010
We will strengthen dialogue and cooperation with the private sector, including through the APEC Business Advisory Council (ABAC)		SOM, ABAC		Initial exploration of the possibility of holding back-to-back ABAC and SOM meetings in future.	Exploration of greater ABAC, SOM and Ministerial participation	
We will also intensify efforts to strengthen APEC public-private sector dialogues to promote regional economic growth and integration and improve the business environment		SOM, ABAC		APEC Public-Private Dialogue on Bond Market Development. ABAC to inform APEC Finance Ministers of business views on global credit contraction	Ongoing	
We instruct officials to work with ABAC to identify potential joint activities that would benefit the APEC business community by facilitating trade and investment and addressing structural reform issues.		SOM, ABAC		ABAC urges APEC MRT to review APEC Food System (AFS) and liberalize trade in environmental goods and services. ABAC urges APEC to discuss the issue of labor mobility, with a view to identifying common challenges and possible areas for collaboration	Ongoing	
We also instruct officials to explore new work in APEC on issues expected to impact on the region's economic growth and development over the longer term, and their implications for regional economic integration		SOM		Development of the APEC Policy Support Unit work plan	Ongoing	
Strategic approach to expanding capacity building						
We will develop and implement capacity-building activities in support of APEC's work on regional economic integration. In that regard, we will:	Provide targeted trade-related technical assistance and capacity building to strengthen capacities of developing economies to participate in the multilateral trading system and ultimately better use trade policy to help achieve their development goals	SCE, CTI	Philippines/Japan/New Zealand/Canada/US/Viet Nam	APEC GOS Training Seminar on Trade in Energy Services, Makati City, Philippines, 21-23 July 2008. APEC MAG Workshop on IT/Electronics Industry, Lima, 20 February. APEC MAG Workshop on Environment Goods and Services (EGS) (Climate Change), Arequipa, Peru, 20 May 2008. APEC Training Course on Anti-Dumping	Ongoing	
	Strengthen the APEC Secretariat's ability to provide analysis and evaluation capacity, and assist in coordinating related capacity building for the development and implementation of APEC's trade, investment and economic reform agenda, including through a new Policy Support Unit and a dedicated evaluation unit in the Secretariat	SOM	Japan/Australia	Successful establishment of APEC Policy Support Unit.	Enhancement of APEC Sec's provision of research and support to APEC fora pertaining to APEC's trade, investment and economic reform agendas	
	Develop and implement longer term sustainable capacity building projects reflecting the extended time horizons involved in undertaking work on regional economic integration	SCE	Singapore	Support for Singapore's paper on Strengthening ECOTECH in APEC.	SCE will work on developing a top-down framework to guide ECOTECH activities;	
	Ensure that the allocation of APEC resources reflects priorities in Leaders' Declarations and Ministerial Statements, including promoting regional economic integration	SOM, BMC		Ongoing work in BMC	Ongoing	
	Encourage contributions to the APEC Support Fund by member economies and other interested parties	SOM		Contributions are as follows: AUD\$4.5 million (2008-2010); Korea - US\$2 million (2007-2009); China - US\$2 million (2007-2009), US pledged a donation of US\$795,142; Russia - US\$500,000 (2009-2010) and Hong Kong China - US\$500,000 (2008) for the implementation of APEC's Second Trade Facilitation Action Plan (TFAP II).	Ongoing	
	Encourage contributions by member economies to the Trade and Investment Liberalisation and Facilitation Fund	SOM		Ongoing	Ongoing	
	Encourage engagement with international financial institutions and other relevant international organisations	SOM	Australia	Study by Australia on APEC engagement with other international organisations	Policy Dialogue on APEC's Engagement with Multilateral Organisations	
Classification of Agreed Actions						
Agreed Actions in black and bold text with grey shading are a considered high priority for implementation.				A red box indicates that the original agreed action has been completed (although ongoing work may be required.)		
Agreed Actions in black with grey shading are considered medium level priorities for implementation in the medium-term.						
Agreed actions in dark blue are considered ongoing priorities and do not necessarily have a fixed time line for implementation.						