



Asia-Pacific
Economic Cooperation



APEC

Outcomes & Outlook

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Introduction

Dear APEC Stakeholders,

APEC 2007 has been a year of notable consolidation and change, including within the APEC Secretariat. In implementing an ambitious program of APEC reform, there has been recognition that APEC as a regional organization has come of age. The organization has acknowledged that a group now comprising 21 dynamic economies, compared with 12 in 1989, requires a stronger institutional base, sounder financial management and greater continuity in management direction. This year we have gone a long way towards making these changes happen.

At the Leaders' Meeting in Sydney, member economies agreed to continue consideration of steps towards replacing annual rotating executive directors with an executive director appointed for a fixed term. This year we have also agreed to the establishment of a Policy Support Unit within the Secretariat, which for the first time will provide analytical and research support to APEC's trade, investment and structural economic reform work.

Under the theme of Strengthening our Community, Building a Sustainable Future, APEC secured key objectives in the areas of climate change and energy security, regional economic integration, structural reform and behind-the-borders barriers to trade. The headline outcome was undoubtedly the Sydney Declaration on Climate Change, Energy Security and Clean Development. The consensus reached by APEC Leaders on a range of practical, cooperative actions and initiatives that will complement the work being undertaken by APEC economies in other international fora, notably the United Nations Framework Convention on Climate Change, was a notable achievement. It is the first time that a group of developed and developing economies, including over 60 percent of global energy capacity, have come together in such an agreement.

In recognition that there is more to achieving economic integration than just removing trade barriers at the border - extremely important as this is - APEC Leaders have this year elevated domestic structural economic reform as one of APEC's key priorities. This is an important new focus for APEC and responds in particular to views of the business community that the greatest impediment to doing business in the region are barriers that occur behind the border in areas such as competition policy, deregulation, corporate and public sector governance, strengthening the economic and legal infrastructure and corruption.

APEC's achievements this year have highlighted some of its major advantages as an organization. The forum has clearly demonstrated flexibility in focusing its agenda from year to year and adapting quickly to major emerging regional and global issues. APEC's response to climate change this year, and to pandemics and counter-terrorism in past years, are good examples of this flexibility. APEC also demonstrated that the non-binding, consensus nature of its modus operandi is highly appropriate for tackling important but sensitive issues. And last, but not least, APEC as a group has shown that it is able to combine vision with practical outcomes. This year's report to APEC Leaders on regional economic integration was backed up by no less than 50 practical measures for implementation and/or further consideration.

One of APEC's key features among Asia-Pacific regional organizations is its Pan-Pacific reach. The transition of responsibilities between 2007 host Australia and 2008 host Peru highlights the unique advantage this bestows upon APEC stakeholders in continually improving market access and ease of doing business.

With Peru hosting APEC in 2008, we look forward to continuing work in these key area and sharing the progress and paths laid out by Leaders this year on structural reform, closer regional economic integration and APEC reform. In addition to continuing to pursue Leaders' priorities, APEC 2008 will also look at the social dimensions of globalization: including corporate social responsibility; good governance and transparency; the development of small and medium-size enterprises and private sector partnerships; and the importance of economic and technical cooperation within APEC.

Yours sincerely,



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Executive Director
APEC Secretariat 2007



Amb. Juan Carlos Capuñay
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Australia Brunei Darussalam C
of China Hong Kong, China Indo
Malaysia Mexico New Zeala
The Republic of the Philippines T
Chinese Taipei Thailand Unite

APEC Member Economies



Canada Chile People's Republic
of Indonesia Japan Republic of Korea
Australia and Papua New Guinea Peru
The Russian Federation Singapore
United States of America Viet Nam



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APEC Australia 2007



APEC, comprising 21 member economies, is home to more than 2.7 billion people and represents approximately 55 percent of world GDP and 49 percent of world trade. Leaders of APEC Economies meet annually to discuss a range of issues that are focused on economic growth and prosperity for the region. At this year's APEC Economic Leaders' Meeting, held on 8 and 9 September in Sydney, Australia, Leaders issued the Joint Leaders' Statement, a declaration on climate change and a stand-alone statement calling for the conclusion to the World Trade Organization's Doha Development Agenda.

15th APEC Economic Leaders' Meeting:

Sydney, Australia, 9 September 2007

“Strengthening Our Community, Building A Sustainable Future”

We, the Leaders of the Asia-Pacific Economic Cooperation (APEC) forum, gathered in Sydney, Australia on 8-9 September 2007. Recalling that APEC was established in Australia in 1989, we reflected with great satisfaction on the strong economic performance of the region since that time. We agreed that our collective commitment to regional economic integration, to free and open markets and to the security of our people has contributed substantially to the strength of our economies and the significant improvement in the welfare and prosperity of our people.

2. Promoting open, efficient, transparent and flexible economies is vital to continuing economic growth and the building of a strong and sustainable future for our Asia-Pacific community.

This provides the best protection against economic volatility and disruption caused by natural disasters and other threats to sustainable growth. Each of us has agreed to play our part to support long-term prosperity. We will demonstrate strong leadership in pursuit of this objective in order to further improve the lives of our people. We have instructed Ministers to give new momentum to work in APEC in support of structural economic reform in member economies.

3. We are confident that robust economic growth will continue and that we can make further progress in our goal to reduce poverty and increase living standards. We will remain alert and responsive to developments and circumstances that might impact directly on the attainment of our goal.

4. We addressed the challenges of climate change, energy security and clean development.

Our resolve on this issue is outlined in a separate statement issued at this meeting.

**Climate
Change, Energy
Security and
Clean
Development**

Primacy of the Multilateral Trading System

5. The Doha Round of World Trade Organization (WTO) negotiations is at a critical juncture. Open markets generate prosperity and development. Expansion of trading opportunities contributes to economic growth and higher living standards. APEC economies account for almost fifty percent of world trade, and we are, therefore, all major stakeholders in a strong, expanding rules-based multilateral trade system.
6. Reflecting both the critical juncture faced by the WTO Doha Round, and our continued resolve to achieve a successful conclusion in these negotiations so important to each of our economies, we have issued a separate statement setting out the urgent need for progress and pledging our commitment to work with renewed energy to deliver an ambitious and balanced result.

Regional Economic Integration

7. APEC economies' commitment to open markets and economic cooperation has generated substantial regional integration. We have all benefited. Economic growth in the region has outstripped the rest of the world and the number of people living in poverty in the region has halved since 1989.
8. We welcomed and endorsed a report from our Ministers on ways to promote further economic integration in the Asia-Pacific region. We have agreed to accelerate efforts towards this objective by:
 - *further reducing barriers to trade and investment including through free trade agreements and regional trading arrangements;*
 - *improving economic efficiency and the regional business environment, including capital markets; and*
 - *facilitating integration in sectors such as transportation, telecommunications, mining and energy.*
9. We have asked Ministers and officials to carry forward this work and report back to us in 2008 with a summary of steps taken to promote regional economic integration.



Free Trade Agreements and Regional Trading Arrangements

10. A successful conclusion to the Doha Round remains our primary trade priority. Regional and bilateral free trade arrangements also play a valuable role in accelerating trade and investment liberalisation and in bringing our economies closer together.
11. We took note of the views of the APEC Business Advisory Council on the importance of enhancing the convergence of trade agreements in the region.
12. Through a range of practical and incremental steps, we will examine the options and prospects for a Free Trade Area of the Asia-Pacific (FTAAP).

Improving Economic Efficiency and the Business Environment, including a New Emphasis on Structural Reform

13. We have taken note of the views of our business leaders on the impact of global production networks and the integration of regional markets on business risks, costs and competitiveness. Regional economic integration requires not only enhanced trade and investment liberalisation and facilitation but also greater attention to 'behind-the border' issues that impact on trade and commerce. We pledge to provide individual and collective leadership to improve the business environment by addressing these issues.

In that regard, we

- *agreed on the need to further improve the efficiency of our domestic markets, raise productivity, enhance the resilience of our economies and sustain strong rates of growth through structural reform. We welcomed efforts to intensify work on our Leaders' Agenda to Implement Structural Reform (LAISR) and have asked Ministers to build on this work.*
- *acknowledged the importance of strengthening domestic institutions that support structural reform and agreed to convene a meeting at the ministerial level in 2008 to address structural reform priorities in the region.*
- *welcomed the new APEC Trade Facilitation Action Plan which will reduce trade transaction costs by a further 5 percent by 2010.*
- *agreed to continue to strengthen protection and enforcement of intellectual property rights (IPR) in the region. We recognised that a strong knowledge-based economy requires a comprehensive and balanced IPR system, as well as an environment that encourages creativity and innovation and provides the tools for successful management and utilisation of IPR. We also agreed to continued efforts by APEC economies to combat the sale of counterfeit and pirated goods at markets involved in this activity.*

- *emphasised the critical importance of investment to economic growth and development and agreed that the region should take steps to improve the investment climate. This will require liberalisation of investment regimes, enhancing the promotion and protection of investment and domestic reforms to strengthen financial institutions and markets. We agreed to undertake a study of bilateral investment agreements and core investment-related elements of existing FTAs with a view to developing principles for investment agreements.*
- *acknowledged the importance of deep and liquid capital markets, including private capital markets, to support productive investment and manage risks in economies and to enhance economic development and regional integration. We asked our Finance Ministers to explore options for broadening the institutional base and range of instruments available in regional financial markets, recognising the important role played by financial intermediaries.*
- *reaffirmed our commitment to combat corruption and promote good governance in order to build prosperity and a predictable business environment. The APEC statement on "Fighting Corruption through Improved International Legal Co-operation" reinforces our strong commitment to strengthening cooperation on extradition, prosecution, mutual legal assistance and the recovery of proceeds of corruption. We endorsed the complementary Anti-Corruption Principles for the Public and Private Sectors with their codes of conduct and urged full implementation of these practical measures to combat corruption.*



Enhancing Human Security

14. We are repeatedly reminded of our region's vulnerability to natural disasters and the devastating human and economic costs arising from threats to human security. We recognised that we all face new risks and challenges to people and economies - including from the potential spread across borders of terrorism, pandemics, illicit drugs and contaminated products, and the consequences of natural disasters. We affirmed that human security is essential to economic growth and prosperity.
15. We resolved to enhance our cooperation on challenges to human security and in so doing to remain closely attuned to the needs of business. We reaffirmed our commitment to dismantle terrorist

groups, eliminate the danger posed by the proliferation of weapons of mass destruction and to protect our economic and financial systems from abuse by terrorist groups. We welcomed the ongoing development of APEC's trade recovery programme to facilitate trade recovery after a terrorist attack and encouraged economies to undertake pilot projects. We endorsed APEC's voluntary Food Defence Principles to help protect the food supply against deliberate contamination. We instructed Ministers to work towards more consistent security measures that reduce transaction costs, and to enhance cooperation with the private sector.



16. We agreed on the need to further strengthen APEC's efforts to build community resilience and preparedness for emergencies and natural disasters. We welcomed APEC's work to address and prevent threats to the customs, maritime, aviation, and mass transit sectors as well as to enhance pandemic preparedness and our ability to fight infectious diseases, including HIV/AIDS. To that end, we endorsed the APEC guidelines to ensure that economies continue to function in times of pandemic and guidelines to help create a supportive environment in the workplace for workers living with HIV/AIDS. We agreed to support the sharing of influenza specimens in a timely manner and to promote transparent, fair and equitable access to vaccines and other benefits that derive from them.

17. We agreed on the need to develop a more robust approach to strengthening food and consumer product safety standards and practices in the region, using scientific riskbased approaches and without creating unnecessary impediments to trade. Additional capacity building in this area is a priority. We directed Ministers to undertake further work in this important area and report on progress.
18. We recognised the ongoing economic risks associated with high and volatile energy prices and affirmed that rising energy demand in the Asia-Pacific can best be met by expanded trade and investment to boost supply and greater efficiency in use. We agreed that energy security is best met through efficient energy markets, characterised by free and open trade, secure and transparent frameworks for investment, clear price signals, market transparency, effective governance and competition.

Strengthening APEC

19. We are committed to ongoing efforts to strengthen APEC and to make it more efficient and responsive. We welcomed the decision by Ministers to increase substantially member contributions, the establishment of a new APEC Policy Support Unit and on the appointment of an Executive Director for a fixed term.
20. We particularly recognised the benefits that have flowed from sharing experiences among our diverse economies and the provision of economic and technical assistance to assist in the implementation of APEC commitments. We expressed appreciation to those member economies providing voluntary contributions to fund a new Policy Support Unit and the increasing number of economies making contributions to APEC's capacity building programmes.
21. We discussed the issue of APEC membership and agreed it was important to manage the possible entry of new members in a manner that ensures that the momentum APEC has developed towards regional integration and open economies is enhanced. We agreed to revisit the issue of membership in 2010.
22. We welcomed the offer of the United States of America and the Russian Federation to host APEC in 2011 and 2012 respectively.
23. We endorsed in full the Joint Statement of Ministers at the 19th APEC Ministerial Meeting.
24. We welcomed the invitation from the President of Peru to meet again in Lima in 2008.





15th APEC Economic Leaders' Meeting Sydney, Australia, 9 September 2007

Statement on the WTO Negotiations

We, the Leaders of the Asia-Pacific Economic Cooperation Forum, whose economies account for nearly 50 percent of world trade, underline the crucial importance of the WTO rules-based, global trading system and our determination to bring the Doha Round to an early and successful conclusion.

Since the launch of negotiations in 2001, we have pressed for a substantive outcome on all aspects of the Doha Round as the best way to advance our economic and important development objectives. The negotiations offer unparalleled potential to create a better trading environment and to lower barriers to trade and to create a freer, fairer and more secure global market in which we can all compete.

We insist that consensus will only be possible on the basis of an ambitious, balanced result that delivers real and substantial market access improvements for agricultural and industrial goods and for services and real and substantial reductions in trade-distorting agricultural subsidies. This would deliver new trade flows for the benefit of all, including developing economies.

We endorse the view of our Ministers Responsible for Trade that there has never been a more urgent need to make progress.

The Doha Agenda is broad - but overall success at this stage depends critically on early progress in agriculture and industrial products. Real progress has been made in these areas and our firm view is that the remaining differences can be successfully bridged.

Intensive negotiations have resumed in Geneva and we pledge the political will, flexibility and ambition to ensure the Doha Round negotiations enter their final phase this year. We call on our WTO partners to join in this vital effort.

To this end, we will instruct our Ministers and officials to resume negotiations on the basis of the draft texts tabled by the chairs of the negotiating groups on agriculture and non-agricultural market access. Again we call on our partners to do the same.



15th APEC Economic Leaders' Meeting

Sydney, Australia, 9 September 2007

Sydney APEC Leaders' Declaration on Climate Change, Energy Security and Clean Development

We, the APEC Economic Leaders, agree that economic growth, energy security and climate change are fundamental and interlinked challenges for the APEC region.

The dynamism of APEC, underpinned by open trade and investment, has reduced poverty, improved living standards and delivered economic and social development.

Our success has relied in part on secure supplies of energy, the use of which has also contributed to air quality problems and greenhouse gas emissions.

A great challenge for APEC, given the aspirations of 41 percent of the world's population in our region, is to chart new pathways for clean and sustainable development.

We are committed, through wide-ranging and ambitious actions, to ensuring the energy needs of the economies of the region while addressing the issue of environmental quality and contributing to the reduction of greenhouse gas emissions.

Future International Action

We reaffirm our commitment to the United Nations Framework Convention on Climate Change (UNFCCC). Based on UNFCCC principles, we believe the following must underpin an equitable and effective post-2012 international climate change arrangement:

Comprehensiveness

We need concerted international action with all economies contributing to shared global goals in ways that are equitable, and environmentally and economically effective.

Support for a Post-2012 International Climate Change Arrangement

Respect for different domestic circumstances and capacities

The future international climate change arrangement needs to reflect differences in economic and social conditions among economies and be consistent with our common but differentiated responsibilities and respective capabilities.

Flexibility

To ensure a comprehensive global effort, we support a flexible arrangement that recognises diverse approaches, and supports practical actions and international cooperation across a broad range of areas relevant to climate change. We support domestic actions which make measurable contributions to a shared global goal, and underline the importance of the effective operation of market mechanisms.

The important role for low and zero emissions energy sources and technologies

Fossil fuels will continue to play a major role in our regional and global energy needs. Co-operation, including joint research, development, deployment and transfer of low and zero emission technologies for their cleaner use, particularly coal, will be essential. It is also important to enhance energy efficiency and diversify energy sources and

supplies, including renewable energy. For those economies which choose to do so, the use of nuclear energy, in a manner ensuring nuclear safety, security and non-proliferation in particular its safeguards, can also contribute.

The Importance of Forests and Land Use

Sustainable forest management and land use practices play a key role in the carbon cycle and need to be addressed in the post-2012 international climate change arrangement.

Promoting Open Trade and Investment

The pursuit of climate change and energy security policies must avoid introducing barriers to trade and investment. Open trade, investment and environmental policies are crucial to disseminating low emissions products, technologies and best practices.

Support for Effective Adaptation Strategies

Adapting to climate change impacts is a priority for domestic development strategies which should be supported by the international community, including through appropriate policy exchanges, financing, capacity building and technology transfer.

We are committed to the global objective of stabilising greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous human interference with the climate system. The world needs to slow, stop and then reverse the growth of global greenhouse gas emissions.

We, therefore, call for a post-2012 international climate change arrangement, building on the above, that strengthens, broadens and deepens the current arrangements and leads to reduced global emissions of greenhouse gases.

APEC economies that are Parties to the UNFCCC agree to work actively and constructively toward a comprehensive post-2012 arrangement at this year's UNFCCC Conference of the Parties. We pledge our strong support for Indonesia in its role as President of the Conference in Bali in December.

We agree to work to achieve a common understanding on a long-term aspirational global emissions reduction goal to pave the way for an effective post-2012 international arrangement. We appreciate the efforts of Japan and Canada in proposing a long-term global goal.

We welcome the initiative by the United States to convene a group of major economies to seek agreement on a detailed contribution to a post-2012 global arrangement under the UNFCCC.

We pledge our support for the initiative of the Secretary-General of the United Nations in convening a High-Level Event on Climate Change.

We agree to work through bilateral, regional and global partnerships to promote clean development, recognising that the UN climate process is the appropriate multilateral forum for international negotiations on climate change.

APEC Action Agenda

We announce a forward program of practical, co-operative actions and initiatives in APEC which complement those actions being undertaken by APEC economies in other fora. These initiatives are designed to support economic growth and development and to further contribute to the reduction of global greenhouse gas emissions in line with the objectives and principles of the UNFCCC. The Action Agenda is attached. In summary, and without prejudice to commitments in other fora, we have decided to:

- *highlight the importance of improving energy efficiency by working towards achieving an APEC-wide regional aspirational goal of a reduction in energy intensity of at least 25 percent by 2030 (with 2005 as the base year);*
- *work to achieve an APEC-wide aspirational goal of increasing forest cover in the region by at least 20 million hectares of all types of forests by 2020 - a goal which if achieved would store approximately 1.4 billion tonnes of carbon, equivalent to around 11 percent of annual global emissions (in 2004);*
- *establish an Asia-Pacific Network for Energy Technology (APNet) to strengthen collaboration on energy research in our region particularly in areas such as clean fossil energy and renewable energy sources;*
- *establish an Asia-Pacific Network for Sustainable Forest Management and Rehabilitation to enhance capacity building and strengthen information sharing in the forestry sector; and*
- *further measures in trade in environmental goods and services, aviation transport, alternative and low carbon energy uses, energy security, the protection of marine biological resources, policy analysis capabilities and a co-benefit approach.*



Conclusion

The APEC region has a major stake in global responses to the challenges of climate change, energy security and clean development. Economic growth and technology development are indispensable elements of our future agreed approach. The scale of

these challenges demands new and innovative forms of international co-operation. We, the APEC Leaders, reaffirm our commitment to work with all members of the international community for an enduring global solution to climate change.

Annex: Sydney APEC Leaders' Declaration on Climate Change, Energy Security and Clean Development

Action Agenda

The following co-operative APEC actions and initiatives on climate change, energy security and clean development represent a further contribution to the reduction of global greenhouse gas emissions in line with the

objectives and principles of the UNFCCC. In implementing this Action Agenda, joint research, development, deployment and transfer of technologies will be important.

Energy Efficiency

Improving energy efficiency is a cost-effective way to enhance energy security and address greenhouse gas emissions while promoting economic growth and development. Without prejudice to commitments in other fora, we therefore:

- *agree to work towards achieving an APEC-wide regional aspirational goal of a reduction in energy intensity of at least 25 percent by 2030 (with 2005 as the base year).*
- *encourage all APEC economies to set individual goals and action plans for improving energy efficiency, taking into account this aspirational goal, and reflecting the individual circumstances of different economies.*
- *agree to facilitate and review progress through the voluntary APEC Energy Peer Review Mechanism, as established by APEC Energy Ministers in May 2007, with a report back to APEC Leaders in 2010.*

Forests

Forests can play a critical role in the carbon cycle. Ongoing action is required to encourage afforestation and reforestation and to reduce deforestation, forest degradation and forest fires, including by promoting sustainable forest management, combating illegal logging and addressing the underlying economic and social drivers. We therefore:

- *agree to work to achieve a regional aspirational goal of increasing forest cover in the APEC region by at least 20 million hectares of all types of forests by 2020.*
- *welcome the Global Initiative on Forests and Climate launched in Sydney in July 2007.*
- *welcome the development of other instruments which may include continued work on a Legally Binding Instrument on Sustainable Forest Management for those economies interested in pursuing this option.*
- *agree to establish the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation to enhance capacity building and strengthen information sharing in the forestry sector. Collaboration between all regional initiatives on forests, including the Asia Forest Partnership, will be important.*
- *co-ordinate with relevant international institutions to develop forest program partnerships, including the proposed World Bank forest carbon partnership facility.*

Low Emissions Technology and Innovation

Joint research, development, deployment and transfer of low and zero emission technologies will be crucial in our shared efforts to address climate change. We therefore:

- *agree to establish the Asia-Pacific Network for Energy Technology (APNet) to strengthen collaboration on energy research in the region. Participation in the*
- Network will be open to all research bodies in the APEC region. The aim of the Network will be to facilitate research linkages and co-operation in areas such as clean fossil energy and renewable energy. APNet will be inaugurated at a major energy research conference in 2008.*

Alternative and Low Carbon Energy Uses

Enhanced uptake of low carbon energy uses will require coherent policy and regulatory settings. We therefore:

- *agree to promote policies that advance the deployment of low and zero emission energy uses, in particular in the field of clean coal use and carbon capture and storage, through co-operative work in the APEC Energy Working Group. to support the development of criteria for*
- *welcome work underway in international partnerships involving a wide range of economies, including on methane, hydrogen, renewable energies and carbon sequestration, and the Asia Pacific Partnership on Clean Development and Climate, which are advancing key new clean technologies.*

performance-based biodiesel standards for the region through the work of the APEC Biofuels Task Force.

Energy Security

We underline the importance to the region of affordable and secure supplies of energy which are central to economic growth and sustainable development, and we are

committed to continuing efforts within APEC to address long-term energy needs in the region.

Trade in Environmental Goods and Services

An open global trade and investment system is central to our clean development objectives and market opening in the World Trade Organisation (WTO) would advance our climate and energy security goals. We therefore:

- *agree to review and discuss at the 2008 APEC Leaders' meeting the progress achieved in the WTO Doha Development Agenda negotiations on the liberalisation of trade in environmental goods and services.*

Civil Aviation Transport

We see scope for co-operative action to address the issue of aviation emissions. We therefore:

- *agree that any future global action to address the climate-related impact of aviation emissions needs to reflect the interests of all economies, including the views of all APEC economies while noting the leading role of the International Civil Aviation Organisation (ICAO) in developing a balanced approach to aviation emissions based on mutual consent and relevant international legal instruments.*
- *endorse the public-private sector work in APEC, launched by APEC Transportation Ministers in March 2007, to promote practical co-operative measures that address greenhouse gas emissions from this sector.*
- *agree to convene a second public-private sector APEC Strategic Seminar on Measures to Address Aviation Emissions in early 2008 to advance work in key areas such as air traffic management systems, aircraft design and alternative fuels.*

Policy Analysis Capability

Improved dialogue and policy and technical co-operation is valuable in underpinning our efforts. We therefore:

- *endorse the value of exchanging views on effective and coherent policy instruments for promoting energy efficiency and addressing greenhouse gas emissions.*
- *agree to enhance co-operation between regional economic modelling and related bodies to share views and expertise on approaches to assessing the economic implications of climate change policies, including measures aimed at adapting economies and societies to the impacts of climate change.*

Marine and Coastal Resources

Sustainable marine and coastal resources are an integral part of the carbon cycle. We therefore:

- *welcome the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security which is aimed at enhancing the conservation of marine biological resources.*

Promoting a Co-Benefit Approach

We support an approach to addressing global environmental challenges that simultaneously promotes sustainable development.



APEC Australia 2007

In 2007, APEC returned to Australia where the first APEC Ministerial Meeting was held in 1989. A strong agenda developed by Senior Officials and Ministers during the year culminated in significant outcomes at the Sydney Leaders Meeting in September, with adoption of a Climate Change Declaration, a strong statement on the WTO Doha Development agenda, a major report on Regional Economic Integration - including further work on options for a Free Trade Area of the Asia-Pacific (FTAAP), and key reforms to strengthen the institutions of APEC. Leaders also endorsed a revitalized trade and investment agenda and welcomed APEC's new focus on structural reform.

Strengthening the Multilateral Trading System

APEC 2007 began and ended at equally challenging times for the WTO Doha Development Agenda (DDA).

APEC economies agree that a substantive outcome on all aspects of the DDA negotiations is the best way to advance their economic and important development objectives. They also agree that the negotiations offer unparalleled potential to create a better trading environment, to lower barriers to trade and to create a freer, fairer and more secure global market in which all can compete.

In their stand-alone statement Leaders made it clear that political will for an ambitious outcome remains substantial, but that renewed flexibility and determination will be necessary to secure an early and successful conclusion. Leaders agreed that members would work together in Geneva to support the Director General and Chairs of the key negotiating groups on agriculture and non-agricultural market access, in their efforts to secure a successful outcome to the round.



...increasing emphasis in APEC on structural reform and 'behind-the-border' issues is a response to the fact that ... issues such as competition and regulatory policies, intellectual property protection and transparency are having an increasingly important impact on commerce.

Economic Reform and Trade Facilitation

The Report on Regional Economic Integration adopted by Leaders and Ministers sets out a substantial APEC work program on trade, investment and economic reform for the next three years. It contains a range of concrete measures to accelerate regional economic integration, including:

- *practical steps to examine the prospects for a Free Trade Area of the Asia Pacific (FTAAP);*
- *developing an Investment Facilitation Action Plan;*
- *a commitment to new emphasis on structural reform and to addressing "behind-the-border" impediments to trade, economic growth and productivity improvement;*
- *a mandate for developing principles for investment agreements; and*
- *measures to advance the protection of intellectual property rights in the region, the strengthening of regional financial markets and the promotion of good governance.*



Leaders and Ministers set out a framework and timetable to reduce business transaction costs by a further 5 percent by 2010.

The increasing emphasis in APEC on structural reform and 'behind the border' issues is a response to the fact that as tariff barriers decline, and production networks become more integrated, issues such as competition and regulatory policies, intellectual property protection and transparency are having an increasingly important impact on commerce - both domestic and cross-border. In turn, these issues can have negative impacts on trade, investment and economic growth and prosperity. This reality has been stressed by APEC's business dialogue partners, in particular the APEC Business Advisory Council (ABAC) members. APEC Leaders have agreed to Australia hosting a ministerial level meeting on structural reform in 2008 to consider such issues as the economic benefits of structural reform (productivity, economic growth, resilience and sustainability); establishing an

effective framework for competition law and policy; and how APEC can assist member economies in promoting and undertaking structural reform.

Three more chapters of RTA/FTA model measures were endorsed, on e-commerce, rules of origin and sanitary/phytosanitary measures. This brings to ten the number of chapters agreed over the past three years. The model measures are intended to encourage a coherent and consistent approach to the design and content of free-trade agreements. They are not binding.

Trade facilitation, remains a core focus for APEC Leaders and Ministers endorsed APEC's Second Trade Facilitation Action Plan, setting out a framework and timetable to reduce business transaction costs by a further 5 percent by 2010.

... enhancing business mobility within the APEC region, two additional economies joined the APEC Business Travel Card scheme in 2007...



Improving the Business Environment

In line with a strong commitment to improve the business environment, this year saw major outcomes on anti-corruption and transparency. Leaders and Ministers endorsed a model Code of Conduct for Business, a model Code of Conduct Principles for Public Officials and complementary Anti-Corruption Principles for the private and public sectors. While all economies were encouraged to implement these codes Australia, Chile and Viet Nam agreed to pilot the Code of Conduct for Business in their small and medium enterprise (SME) sectors.

Further enhancing business mobility within the APEC region, two new economies joined the APEC Business Travel Card scheme in 2007, bringing participation to over 90 percent of all member economies. This remains one of the most tangible and popular products of APEC cooperation - delivered directly into the hands of regional business travelers, and making a real difference to time spent in airport queues, managing visa paperwork and easing the cost of doing business across the Asia-Pacific.

Economic Reform and Trade Facilitation

The Sydney Declaration by APEC Leaders reflects a new level of consensus in the region on climate change, which will help shape a more effective international approach to this pressing issue. APEC economies represent around 60 percent of world energy demand, with APEC's energy imports set to double between 2000 and 2020. Addressing this issue as part of the APEC 2007 agenda was a very timely regional recognition of this current global imperative.

The agreed APEC-wide goals on energy intensity and forests are therefore significant, both for the political benchmarks they establish and for the fact that, for the first time, these goals are now shared by both key developed and developing economies in the region. The declaration includes key principles for future global action on climate change, looking ahead to a new international framework which should include:

- *comprehensiveness, flexibility, and respect for domestic differences;*
- *the need for climate change and trade policies to be mutually reinforcing; and*
- *recognition of the important roles of technology, forests and land use.*

Leaders also set a bold action agenda, with key agreements on long-term aspirational goals for both energy efficiency and forests. On energy efficiency, a regional goal was set to reduce energy intensity by at least 25 percent by the year 2030. On forests, a regional goal was agreed to increase forest cover in the region by 20 million hectares by 2020. Leaders also agreed to a forward program of practical actions, including initiatives designed to improve economic growth and reductions in green gas emissions through energy efficiency, forests and climate and low emissions technologies.

Throughout 2007, contributions to addressing climate change and energy issues in APEC were also made by APEC Ministers for Transport, Energy and Finance. These discussions and initiatives encompassed energy security; aviation emissions control; alternative and low carbon energy uses and market-based mechanisms for promoting energy efficiency and greenhouse gas reductions.



The Sydney Declaration by APEC Leaders reflects a new level of consensus in the region on climate change, which will help shape a more effective international approach to this pressing issue . . .

Human Security

In 2007, Leaders and Ministers reaffirmed that economic prosperity requires regional stability, and reaffirmed the importance of APEC's human security agenda. Threats from terrorism, natural disasters, contamination of the food supply and pandemics, such as avian influenza, and other health-related challenges have the potential to undermine efforts to sustain economic growth, raise living standards and reduce poverty in the region. Outcomes of APEC's efforts in these areas this year included:

- *practical work to address the nexus of health and economic development and security. APEC Health Ministers took this forward and endorsed the creation of an APEC Health Working Group.*
- *cooperation on emergency preparedness and response through the meeting for the first time of Emergency Management CEOs in Cairns in August. Emergency Management CEOs agreed to build further capacity and to improve coordination in the event of an emergency in the region.*
- *mitigating the threat of terrorism through the endorsement by Leaders of the APEC Trade Recovery Program that will facilitate the resumption of trade after a major terrorist attack, and endorsement of voluntary APEC Food Defence Principles to protect the food supply from deliberate contamination.*
- *Leaders also endorsed a number of new counter-terrorism initiatives dealing with bomb disposal, public-private partnerships on countering terrorism, cyberterrorism, critical energy infrastructure and further work on counter-terrorist financing building on capacity building in this area in 2007. APEC Transport Ministers also agreed to further capacity building to improve security in the region's airports, ports and land transport networks.*



Institutional Reform of APEC

APEC has made strengthening the Secretariat a key platform in 2007, and consensus was reached on a number of major reforms. Leaders and Ministers agreed to establish a Policy Support Unit attached to the APEC Secretariat. The unit, to be funded by voluntary contributions from members, will provide analytical capacity and policy support to APEC's trade, investment, energy and economic reform work, as well as related economic and technical cooperation.

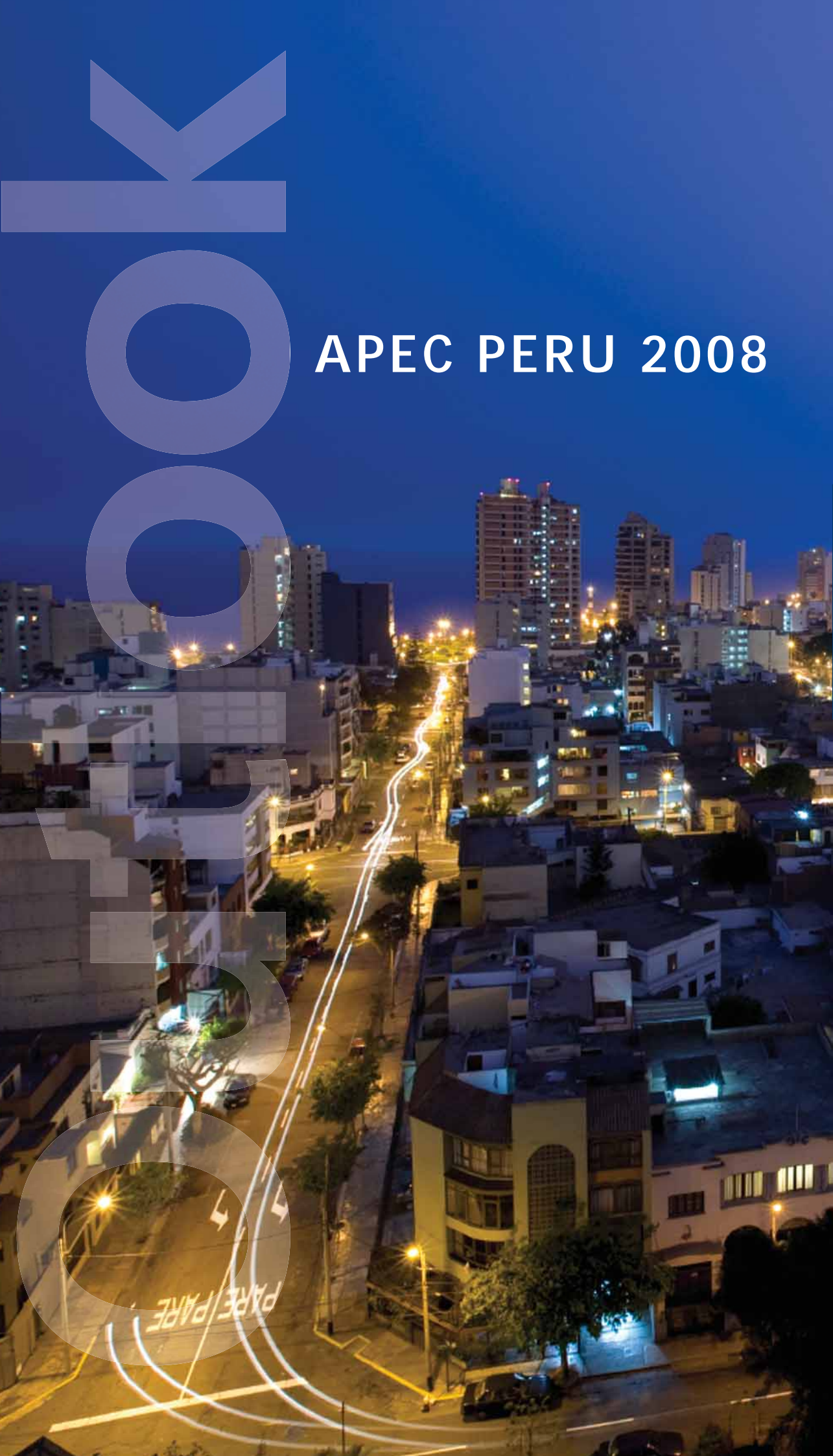
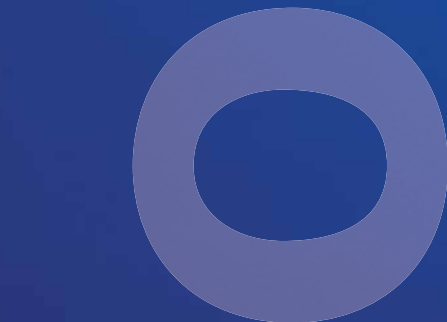
Leaders and Ministers also agreed that the time had come to consider the appointment of an Executive Director for a fixed-term and instructed officials to develop proposed conditions, responsibilities and accountability mechanisms.

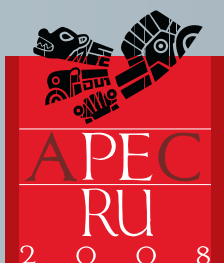
Another important development this year was the commitment by APEC economies to increase members' contributions by 30 percent from 2010 which will allow the organization to better service an agenda which has broadened considerably since the last real increase in dues in 1998. In endorsing this increase, ministers agreed that there was a need to further improve accountability and efficiency in the APEC Secretariat and to strengthen financial management. The recruitment this year of a Chief Operating Officer to oversee the corporate areas of the Secretariat and measures to enhance project management will make an important contribution to this ongoing task.





APEC PERU 2008





APEC's objectives represent the main areas on which APEC members and working groups will focus their efforts throughout 2008 in order to produce meaningful and concrete deliverables for submission to APEC Ministers and Leaders.

APEC 2008 Theme

...focusing greater attention on the social dimensions of free trade and investment so that all the people of the region can share in the benefits of globalization...

A New Commitment to Asia-Pacific Development

An economy with strong historical, social and commercial links around the Asia-Pacific region, Peru will host APEC in 2008. In this role, Peru is focusing greater attention on the social dimensions of free trade and investment so that all the people of the region can share in the benefits of globalization.

Embracing the theme "A New Commitment to Asia-Pacific Development," APEC in 2008 will boost APEC's technical cooperation

framework to better engage member economies in the globalization process by highlighting the regional goals of free trade, liberal investment policy and enhanced business facilitation. This new commitment encompasses public-private sector partnerships, heightened relationships with international financial institutions and increased cooperation with international organizations and civil society.

Forging Free Trade

APEC member economies' commitment to open markets and economic cooperation has generated substantial regional integration, facilitated commerce and minimized business transaction costs. Regional economic growth has also contributed to improving social welfare and reducing poverty.

APEC has demonstrated its resolve by pledging its commitment to achieving a successful conclusion to the WTO Doha Development Agenda. APEC 2008 will continue to work towards this objective by encouraging members to have the political will, flexibility and ambition to ensure that negotiations achieve an ambitious, balanced and development-oriented outcome.

Notwithstanding member economies' strong multilateral commitment to the conclusion of the Doha Round, APEC will develop practical and incremental steps to examine the options and prospects for regional economic integration as part of the effort

towards increasing trade and investment in the region. The comprehensive and progressive study of an FTAAP, which would complement the WTO's Doha Development Agenda, will aim to demonstrate how this arrangement could support the global economy by creating employment opportunities and therefore improving the prosperity of the region.

Already, much progress has been made on completing model measures to help economies negotiate consistent, high-quality and comprehensive free trade agreements and regional trading arrangements (FTAs and RTAs). As tools for strengthening the multilateral trading system and supporting regional integration, APEC will strive to complete the remaining eight texts which include trade in services; safeguards; investment; anti-dumping; subsidies and countervailing duties; competition policy; temporary entry of business persons and environment.

Embracing Structural Reform

APEC has acknowledged the importance of structural reform which helps member economies achieve the full benefits of trade and investment liberalization and improves the business climate.

Building on the success of APEC's focus on lowering the barriers at the border, in 2008 further attention will be paid to reducing red tape and bureaucratic obstructions that typically occur behind-the-border and often beyond scrutiny. More emphasis will also be given to customizing structural reform measures in accordance with the needs of

each member economy, and member economies will continue to implement the *Leaders' Agenda to Implement Structural Reform (LAISR)*.

Taking guidance from the Ministerial Meeting on Structural Policy Reform to be held in mid-2008, consideration will be given to how APEC can support member economies' initiatives in the areas of competition policy, corporate governance, strengthening economic and legal infrastructure, regulatory reform and public sector governance.

Bridging the Development Gap

Trans-Pacific cooperation is required for a comprehensive approach to address good governance, ensure a secure trade environment, foster transparent legal regimes, assist in the development of small and medium enterprises (SMEs), open markets and develop comprehensive systems to fight corruption. Tackling these issues is integral to attaining and sustaining economic development, growth and prosperity.

In 2008, building capacity will therefore be a priority as it constitutes the basis for economic development and technical cooperation. Through this work, APEC aims to provide an environment which is conducive for economic, social and legal stability while facilitating access to global markets.

Corruption is a major obstacle to economic development in the region. In 2008, APEC will bolster its fight against corruption in both the public and private sectors. This includes the development and application of measures for government authorities to deal with corrupt individuals and those who corrupt them.

SMEs account for a significant amount of the region's business and employ more than half of the work force. However, they face limited access to skilled workers, capital, innovation and global markets. APEC will therefore pay greater attention in 2008 to the development of a favourable environment for small and medium-sized enterprises.

An adequate labor force is essential to all economies so that they may face the challenges and demands of the 21st century. In 2008 APEC will address the deep linkages between education and economic development. This means not only preparing students with technical skills, but also taking into account their development as citizens of a global economy. Thus, the focus will be on language learning, innovative strategies in teaching mathematics and science, and improving education management.

APEC aims to eliminate bottlenecks to economic growth. Competition has increased significantly across APEC economies and this is producing real benefits in terms of network development, expanding choice, lowering prices and increasing investment. Putting in place the infrastructure required to support a modern information-intensive economy will be a priority for APEC in 2008.

Tackling these issues is vital to attaining and sustaining economic development, growth and prosperity.



Addressing the deep linkages between education and economic development



Human Security

With active participation from the private sector, APEC will also pursue initiatives to identify ways of mitigating risks to human security without compromising the flow of trade.

Member economies will examine supply chain security vulnerabilities, consider harmonized partnership programs that prevent conflicting requirements and unnecessary inefficiencies and develop appropriate responses for all APEC economies to secure the supply chain from terrorist attacks.

Linking the Private Sector to Strategic Partnerships

It is widely accepted that corporate social responsibility is a valuable tool for aligning business needs and operations with the provision of public goods such as human capital, environmental awareness and other social development.

In recognition of the private sector's contribution to economic growth, the APEC agenda in 2008 will include work to promote public-private partnerships. To overcome the

disparities in the region, APEC will take the opportunity to identify key elements for an APEC strategy for corporate social responsibility.

Reaching out to international financial institutions, multilateral organizations and stakeholders, APEC will follow a strategy for closer engagement that draws on its partners to strengthen the region's economy.

APEC Reform

APEC will continue to strengthen APEC's institutional foundations to assure its efficiency.

Part of this effort includes the establishment of the APEC Policy Support Unit. This unit will provide analytical capacity, policy support and assist in coordinating related capacity building for APEC's trade, investment and economic reform agenda and related ECOTECH activities.

In 2008 APEC will also consider the appointment of an Executive Director for a fixed-term, as instructed by Leaders and Ministers. This will include developing conditions, responsibilities and accountability mechanisms that will help to bolster APEC's operational capacity.

APEC will engage with its partners to strengthen the regional economy. The aim is to establish closer cooperation with international organizations, so as to advance capacity building and to achieve common goals.

Scheduled Meetings of Ministers and Senior Officials in 2008

Meeting	City	Date
Senior Officials' Meeting I and Related Meetings	Lima	21 Feb - 2 Mar
Tourism Ministerial Meeting	Cusco	9 - 11 Apr
Ministerial Meeting on the Telecommunications & Information Industry	Bangkok	20 - 25 Apr
Senior Officials' Meeting II and Related Meetings	Arequipa	20 - 29 May
Ministers' Responsible for Trade Meeting	Arequipa	31 May - 1 Jun
Education Ministers' Meeting	Lima	10 - 12 Jun
Ministerial Meeting on Structural Reform	Melbourne	3 - 5 Aug
Senior Officials' Meeting III and Related Meetings	Lima	3 - 12 Sept
Small and Medium Enterprise Ministerial Meeting	Chiclayo	18 - 19 Sept
Finance Ministers' Meeting	Trujillo	6 - 7 Nov
Concluding Senior Officials' Meeting	Lima	16 - 17 Nov
Business Advisory Council Meeting	Lima	17 - 20 Nov
APEC Ministerial Meeting	Lima	19 - 20 Nov
APEC 2008 Business Summit	Lima	20 - 23 Nov
APEC Economic Leaders' Meeting	Lima	22 - 23 Nov

Scheduled Meetings of Leaders, Ministers and Senior Officials in 2008 can be found at www.apec2008.org.pe

Key APEC Milestones

2007

Sydney, Australia

For the first time, APEC member economies issue a Declaration on Climate Change, Energy Security and Clean Development outlining future action in support of a new international climate change arrangement and announcing a forward program of practical, cooperative actions and initiatives. Leaders also adopt a major report on closer Regional Economic Integration, including structural reform initiatives, and welcome the new APEC Trade Facilitation Action Plan which will reduce trade transaction costs by a further 5 percent by 2010.

2006

Ha Noi, Viet Nam

APEC Economic Leaders endorse the Ha Noi Action Plan which identifies specific actions and milestones to implement the Bogor Goals and support capacity-building measures to help APEC economies. They also issue a statement on the WTO Doha Development Agenda calling for ambitious and balanced outcomes. To prioritize its agenda, APEC takes a strategic approach to reform working groups and strengthen the Secretariat.

2005

Busan, Korea

APEC adopts the Busan Roadmap, completes the Mid-Term Stocktake which has found that APEC is well on its way to meeting the Bogor Goals, and the APEC Privacy Framework. Leaders issue a stand-alone statement in support of a successful conclusion to the WTO's 6th Ministerial Meeting in Hong Kong, China and agree to confront pandemic health threats and continue to fight against terrorism which could cause deep economic insecurity for the region.

2004

Santiago, Chile

APEC issues a strong statement of support for progress in the WTO Doha Development Agenda and sets a target date for achieving a breakthrough in negotiations: December 2005, the convening of the Sixth WTO Ministerial Conference. APEC adopts Best Practices for RTAs and FTAs, the Santiago Initiative for Expanded Trade and a Data Privacy Framework. APEC reiterates its "unmistakable resolve" to confront the threat of terrorism, and makes a political commitment to fight corruption and ensure transparency, and endorses a specific Course of Action towards this end.

2003

Bangkok, Thailand

APEC agrees to re-energize the WTO Doha Development Agenda negotiations. Actions are agreed to curb terrorist threats posed by Man Portable Air Defense Systems, to better co-ordinate counter-terrorism activities and to implement the APEC Action Plan on SARS and the Health Security Initiative. Stepping up efforts to build Knowledge-Based Economies, strengthening efforts to promote sound and efficient financial systems and accelerating regional structural reform are also agreed.

2002

Los Cabos, Mexico

APEC adopts a Trade Facilitation Action Plan, Policies on Trade and the Digital Economy and Transparency Standards. APEC's second Counter-Terrorism Statement is delivered, along with the adoption of the Secure Trade in the APEC Region (STAR) Initiative.

2001

Shanghai, People's Republic of China

APEC adopts the Shanghai Accord, which focuses on Broadening the APEC Vision, Clarifying the Roadmap to Bogor and Strengthening the Implementation Mechanism. The e-APEC Strategy is adopted, which sets out an agenda to strengthen market structures and institutions, facilitate infrastructure investment and technology for on-line transactions and promote entrepreneurship and human capacity building. APEC's first Counter-Terrorism Statement is issued.

2000

Bandar Seri Begawan, Brunei Darussalam

APEC establishes an electronic Individual Action Plan (e-IAP) system, providing IAPs online and commits to the Action Plan for the New Economy, which, amongst other objectives, aims to triple Internet access throughout APEC region by 2005.

1999

Auckland, New Zealand

APEC commits to paperless trading by 2005 in developed economies and 2010 in developing economies. APEC Business Travel Card scheme is approved and a Mutual Recognition Arrangement on Electrical Equipment and a Framework for the Integration of Women in APEC is endorsed.

1998

Kuala Lumpur, Malaysia

APEC agrees on the first nine sectors for EVSL and seeks an EVSL agreement with non-APEC members at the World Trade Organization.

1997

Vancouver, Canada

APEC endorses a proposal for early voluntary sectoral liberalization (EVSL) in 15 sectors and decides that Individual Action Plans should be updated annually.

1996

Manila, The Philippines

The Manila Action Plan for APEC (MAPA) is adopted, outlining the trade and investment liberalization and facilitation measures to reach the Bogor Goals and the first Collective and Individual Action Plans are compiled, outlining how economies will achieve the free trade goals.

1995

Osaka, Japan

APEC adopts the Osaka Action Agenda (OAA) which provides a framework for meeting the Bogor Goals through trade and investment liberalization, business facilitation and sectoral activities, underpinned by policy dialogues, economic and technical cooperation.

1994

Bogor, Indonesia

APEC sets the Bogor Goals of, "free and open trade and investment in the Asia-Pacific by 2010 for industrialized economies and 2020 for developing economies."

1993

Blake Island, United States

APEC Economic Leaders meet for the first time and outline APEC's vision, "stability, security and prosperity for our peoples."

1989

Canberra, Australia

APEC begins as an informal Ministerial-level dialogue group with 12 members.

WORLD

APEC



The Asia-Pacific Economic Cooperation (APEC) forum was established to take advantage of the growing interdependence among Asia-Pacific Economies, by facilitating economic growth for all participants and enhancing a sense of community in the region. It aims to help improve trade and economic performance and regional links for the prosperity of the people in the region.

Since its inception in 1989, APEC has helped to reduce tariffs and other barriers to trade across the Asia-Pacific region. Business

transaction costs were reduced by 5 percent between 2001 and 2006 and are scheduled to be cut by a further 5 percent by 2010. APEC has worked to create an environment to ensure the safe and efficient movement of goods, services and people across borders in the region through policy decisions and economic and technical cooperation. During this period, APEC member economies have grown and developing economies, in particular, have experienced increases in GDP and standards of living.

Member Economy and Year Joined	Area ¹ ('000 sq km)	Population ¹ (million)	GDP ¹ (US\$bn)	GDP per capita ¹ (US\$)	Exports ² (US\$m)	Imports ² (US\$m)
Australia (1989)	7,692	20.7	822.1	39,320	123,283	132,638
Brunei Darussalam (1989)	6	0.4	12.0	31,298	6,625	2,047
Canada (1989)	9,971	32.6	1,266.4	38,382	387,999	349,805
Chile (1994)	757	16.4	149.6	9,026	55,884	34,750
China (1991)	9,561	1,314.1	3,051.2	2,310	969,324	791,794
Hong Kong, China (1991)	1	6.9	201.8	28,982	322,664	335,753
Indonesia (1989)	1,905	222.1	407.5	1,812	100,799	61,065
Japan (1989)	378	127.7	4,302.1	33,668	646,513	577,227
Korea (1989)	99	48.3	943.0	19,485	325,465	309,383
Malaysia (1989)	330	26.4	160.6	5,982	160,845	131,223
Mexico (1993)	1,958	104.1	897.3	8,530	250,461	256,205
New Zealand (1989)	271	4.1	114.3	27,285	22,438	24,825
Papua New Guinea (1993)	463	6.1	4.3	685	6,293	2,136
Peru (1998)	1,285	27.6	100.6	3,584	23,431	15,327
Philippines (1989)	300	87.0	133.3	1,503	47,037	51,533
Russia (1998)	17,098	142.8	1,166.6	8,209	301,551	137,728
Singapore (1989)	1	4.4	146.1	32,506	271,916	238,900
Chinese Taipei (1991)	36	23.0	365.3	15,759	213,004	202,038
Thailand (1989)	513	65.8	219.4	3,304	130,621	128,652
United States (1989)	9,364	299.7	13,770.3	45,490	1,037,143	1,855,119
Viet Nam (1998)	332	84.4	68.3	798	39,826	44,891

Area: Population; GDP (current prices); GDP per capita
Source: Economic Fact Sheets, <http://www.dfat.gov.au/geo/fs>

Exports and Imports
Source: The APEC Region Trade and Investment 2006

APEC is a unique forum operating on the basis of open dialogue and equal respect for the views of all participants. Decision making within APEC is reached by consensus. There are no binding commitments; compliance is promoted through peer pressure and, when appropriate, supported by economic and technical cooperation. Through APEC, developing economies have as much say in

setting APEC's agenda as some of the largest economies in the world.

APEC's priorities and goals are set at annual meetings of APEC Economic Leaders and Ministers. Officials and experts in APEC member economies carry out projects and other work to meet these goals. This work is supported by a Secretariat based in Singapore.

* The word 'economies' is used to describe APEC members because the APEC cooperative process is predominantly concerned with trade and economic issues, with members engaging with one another as economic entities.

APEC's Scope of Work



APEC works in three broad areas to meet its goals of *free and open trade and investment in the Asia-Pacific by 2010 for industrialized economies and 2020 for developing economies* (These goals are referred to as the 'Bogor Goals'). The three areas in which APEC works are:

- *Trade and Investment Liberalization* - reducing and eliminating tariff and non-tariff barriers to trade and investment, and opening markets.
- *Business Facilitation* - reducing the costs of business transactions, improving access to trade information and bringing into line policy and business strategies to facilitate growth, and free and open trade.
- *Economic and Technical Cooperation (ECOTECH)* - assisting APEC member economies to build the necessary capacities to take advantage of global trade and the New Economy.

Together, the outcomes assist APEC member economies to continue to grow and prosper. Tangible benefits are also delivered to the people of the region, through increased choices in the marketplace, cheaper goods and services and improved access to international markets.

Over the last few years new threats to the economic well-being of the region have emerged. The commercial impact of the terrorist attacks on member economies, regional epidemics and the devastating natural disasters, reinforces the connection between trade and human security. APEC is meeting these new challenges through cooperative activities aimed at ensuring trade and economic development continues, while safeguarding the people and economies of the region.

Key Action Plans

Osaka Action Agenda

The Osaka Action Agenda mapped out a path to meet the Bogor Goals of free and open trade and investment in the Asia-Pacific region by 2010/2020. It provides a framework through a mix of individual and collective steps in liberalization, facilitation and economic-technical cooperation, underpinned by policy dialogues. As part of this framework, General Principles have been defined for member economies as they proceed through

the APEC liberalization and facilitation process:

- Comprehensiveness
- Standstill
- WTO-consistency
- Simultaneous start, continuous process and differentiated timetables
- Comparability
- Flexibility
- Non-discrimination
- Cooperation
- Transparency

Individual and Collective Action Plans

APEC member economies report progress towards achieving free and open trade and investment goals through Individual and Collective Action Plans, submitted to APEC on an annual basis. Individual Action Plans

(IAPs) contain a chapter for each specified policy area and report the steps that each member is taking to fulfill the objectives set out in the Osaka Action Agenda for each action area.

As specified in the Osaka Action Agenda, reporting is based on the following issue areas:

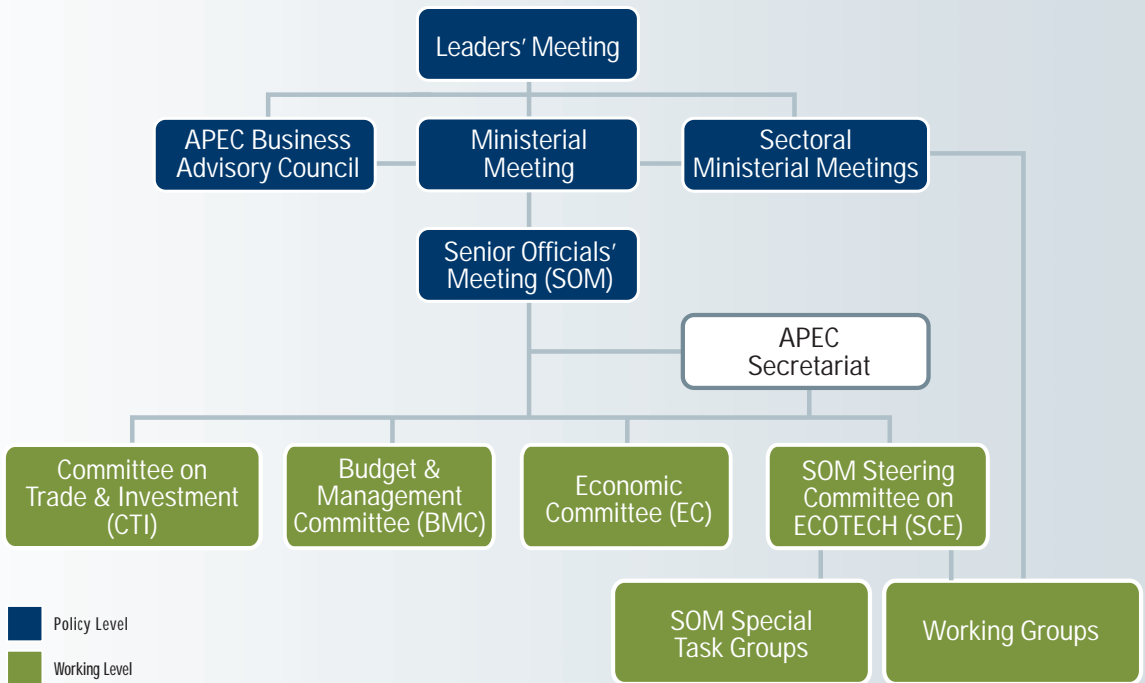
- Tariffs
- Non-tariff measures
- Services
- Investment
- Standards and Conformance
- Customs Procedures
- Intellectual Property
- Competition Policy
- Government Procurement
- Deregulation/Regulatory Review
- WTO Obligations (inc. Rules of Origin)
- Dispute Mediation
- Mobility of Business People
- Information Gathering and Analysis

Each year, several APEC member economies have their IAPs reviewed. These Peer Reviews involve independent on-site research and analysis by experts. The economy under review fields comments and questions from other APEC members and the APEC Business Advisory Council. Collective Action Plans (CAPs) detail the joint actions of all APEC member economies in the same issue areas. CAPs are the compass by which APEC charts its course towards the ultimate objective of free trade and investment.

APEC member economies also work within a framework to meet the free and open trade goals. This framework comprises:

- Actions by individual APEC economies;
- Actions by APEC fora; and
- APEC actions related to multilateral fora.

APEC Organization Chart



Every year one of the 21 member economies plays host to APEC meetings and serves as the APEC Chair. The APEC host economy is responsible for chairing the annual Economic Leaders' Meeting, Ministerial Meetings, Senior Officials' Meetings, the APEC Business Advisory Council and the APEC Study Centers Consortium.

The APEC Secretariat

The APEC Secretariat is staffed by a team of program directors seconded from APEC member economies, professionals and permanent administrative staff. The Executive Director and Deputy Executive Director positions rotate annually and are filled by officers of Ambassadorial rank from the current and incoming host economy, respectively.



The APEC Secretariat holds ISO 9001:2000 Quality Management Certification. This recognizes the continuous efforts made by the APEC Secretariat to provide high quality administrative and support activities. The APEC Secretariat is the first international trade-related Secretariat to attain ISO certification.

APEC Stakeholder Participation

APEC recognizes that strong and vibrant economies are not built by governments alone, but by partnerships between governments and key stakeholders, including the business sector, industry, academia, policy and research institutions, and interest groups within the community.

APEC member economies recognize that business drives the economies of the region and involves business at all levels of the APEC process. At the highest level, APEC Economic Leaders communicate through annual meetings with the APEC Business Advisory Council (ABAC). ABAC comprises high-level business people from all 21 APEC member economies.

Through the APEC Study Centers (ASC) Consortium, APEC member economies actively engage academic and research institutions in the APEC process. Amongst a range of key activities, the ASC Consortium facilitates cultural and intellectual exchanges in the Asia-Pacific region and assists the APEC process by undertaking advanced, collaborative interdisciplinary and policy-relevant research from an independent and long-term perspective. There are ASCs in 19 APEC member economies comprised of research centers and centers of academic excellence across the APEC region.

On the Web

Detailed information on APEC's programs and activities can be found on the APEC Secretariat website, www.apec.org

The APEC Secretariat - www.apec.org

The website contains information about APEC developments, issues and work programs and an APEC event calendar and links to key APEC websites.

Australia 2007 Website www.apec2007.org

The archive website provides information about the meetings and outcomes for APEC Australia 2007.

Peru 2008 Website www.apec2008.org.pe

The website provides information about the themes and objectives for APEC Peru as well as a schedule of meetings in 2008.

Publications

Key APEC Documents 2007 outlines the key policy decisions and initiatives endorsed by Leaders and Ministers, which provide the direction for on-going APEC work. Also available in this publication are the 2007 APEC Leaders' Declaration and Statements from Ministerial Meetings.

2007 APEC Economic Policy Report introduces structural reform and the regional changes that have been acting as drivers for the new structural reform focus of the Economic Committee (EC). The report also discusses how a whole-of-government approach can increase the effectiveness, support, and potential success of a structural reform program and explores how economies may address the short term costs that reforms may generate by displaying commitment to implementing reforms across the whole of government and by transparently communicating the longer term benefits to the population.

2007 Annual Report to Ministers - APEC Committee on Trade and Investment outlines the accomplishments of the CTI over the last 12 months and recommendations in the key priority areas of APEC's trade and investment liberalization and facilitation agenda.

2007 APEC SOM Report on Economic and Technical Cooperation (ECOTECH) contains information on ECOTECH activities carried out by APEC fora and reports on the implementation of key ECOTECH initiatives. SCE's ECOTECH priorities include - Integration into the Global Economy, Counter-terrorism Capacity Building, Development of Knowledge-Based Economies, and Addressing the Social Dimensions of Globalization.

Ordering Publications

APEC publications can be downloaded free of charge from the APEC Secretariat website, www.apec.org or hard copy publications can be purchased from APEC. Order by any of the following:

Phone: (65) 6775 6012

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