

24 May 2015

Boracay, Philippines, 23 – 24 May 2015
2015 Meeting of APEC Ministers Responsible for Trade
Statement

We, the APEC Ministers Responsible for Trade (MRT), met on 23 – 24 May, in Boracay, Philippines, under the Chairmanship of H.E. Gregory L. Domingo, Secretary of Trade and Industry, Republic of the Philippines.

We welcome the participation in the meeting of the Director General of the World Trade Organization (WTO), the 2015 Chair of the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC), the Association of South-East Asian Nations (ASEAN), the Pacific Islands Forum (PIF) and the APEC Secretariat.

We reaffirm our commitment to promote trade and investment liberalization and facilitation and strengthen economic and technical cooperation to achieve inclusive growth and attain the common goals of development, prosperity and progress. We are committed to building an open economy in the Asia Pacific region featuring innovative development, interconnected growth and shared interests. We shared ideas and exchanged views on important trade and investment issues to build consensus on how we can work together effectively and efficiently for the betterment of the APEC region.

With the global economy still struggling to gain momentum and as world trade lags behind its potential, growth has remained uneven and below the pace necessary to generate the jobs our economies need. As APEC Trade Ministers of a dynamic region which accounts for 46 percent of world trade, 57 percent of the global GDP and 39 percent of the global population, we have the responsibility to expand trade and spur economic activity towards strong, sustainable and inclusive growth.

To advance our work this year, we adopted the APEC 2015 theme of “Building Inclusive Economies, Building a Better World” and focused our discussions on the following priority areas:

Supporting the Multilateral Trading System

We adopted a separate statement for this purpose

Enhancing the Regional Economic Integration Agenda

Bogor Goals

We commit to achieve the Bogor Goals of free and open trade and investment in order to strengthen and deepen regional economic integration. We reiterate our commitment to eliminate barriers to international trade and investment in this region. Therefore, we welcome preparations for the 2016 second-term review of economies' progress towards the Bogor Goals.

We take note of the progress of the PSU report on the *Study on Promoting Products which Contribute to Sustainable and Inclusive Growth through Rural Development and Poverty Alleviation*. We take note of the preparations for the trade policy dialogue and look forward to its outcomes.

Free Trade Area of the Asia Pacific

In 2014, we adopted the *Beijing Roadmap for APEC's Contribution to the Realization of the Free Trade Area of the Asia Pacific (FTAAP)*. We welcome the progress on the *Collective Strategic Study on Issues Related to the Realization of the FTAAP* ('Collective Strategic Study'), including the establishment of the Task Force comprising all APEC member economies to undertake the Collective Strategic Study. We endorse the *Terms of Reference of the Collective Strategic Study*. We acknowledge the importance of this study in providing useful analysis of the opportunities and challenges ahead. We instruct officials to report on the progress of the Collective Strategic Study by November 2015, with a view to completing the final report, along with any recommendations, by the APEC Ministerial Meeting (AMM) in 2016.

Our discussions on recently concluded RTAs/FTAs under the *APEC Information Sharing Mechanism on RTAs/FTAs* served to increase transparency, improve understanding of different ways to build stakeholder support and enhance APEC's contribution to the eventual realization of the FTAAP. We welcome the results of the Trade Policy Dialogue held by the Committee on Trade and Investment, which focused on WTO-plus outcomes and approaches of recently concluded FTAs/RTAs as a means of advancing APEC's contribution to the realization of the FTAAP. We look forward to the results of further information-sharing during the *SOM Dialogue on RTAs/FTAs* in September 2015.

We reaffirm our shared vision that regional economic integration should not create unnecessary barriers between economies and lead to fragmentation of trade and investment flows. Information sharing will raise awareness on liberalizing approaches in regional RTAs/FTAs and build momentum towards a comprehensive, high-quality FTAAP. We reaffirm our Leaders' commitment to

enhance synergy with other relevant international and regional cooperation organizations and fora through coordination and cooperation.

We emphasize the importance of capacity building in APEC's contributions to the realization of the FTAAP. We look forward to the outcomes of the *Seminar on the Collective Strategic Study*, which will serve as an important platform for the Task Force to review progress and discuss next steps for undertaking the study. We welcome the *Action Plan Framework for the 2nd Regional Economic Integration (REI) Capacity Building Needs Initiative of 2015-2017*. We look forward to the effective implementation of the initiative through the capacity building workshops to be hosted by the lead economies. These workshops will provide opportunities for government officials to deepen their understanding on relevant fields of FTA negotiations.

Environmental Goods and Services

We reaffirm our green growth objective to reduce our applied tariffs to five percent or less by the end of 2015 on the *APEC List of Environmental Goods* as endorsed by Leaders in 2012. We urge all economies to ensure full implementation of this commitment. We welcome the tariff reduction implementation plans submitted by economies. We look forward to the CTI report by November 2015 to demonstrate APEC's successful achievement of this ground-breaking commitment.

We welcome progress in developing an action plan on liberalization, facilitation, and cooperation on environmental services which will contribute to sustainable and green growth and look forward to an outcome by November 2015. We recall the Leaders' commitment of 2011 to increase utilization and dissemination of environmental goods and services (EGS), reduce barriers to trade and investments in EGS and enhance the capabilities of economies to develop their EGS sectors.

We welcome the results of the *2nd Public-Private Partnership on Environmental Goods and Services (PPEGS)* and the constructive exchange among representatives of the private sector and government to discuss and address key non-tariff barriers to trade in EGS.

Supply Chain Connectivity

We reaffirm the Leaders' goal in 2010 to achieve an APEC-wide target of a 10 percent improvement in supply chain performance by the end of this year in terms of reduction of time, cost, and uncertainty of moving goods and services through the region taking into consideration individual member economy's circumstances. To this end, we welcome the implementation of targeted capacity building activities as well as projects in the *Capacity Building Plan to Improve Supply Chain Performance* on pre-arrival processing, expedited shipments, release of goods, advance rulings and

electronic payments. We encourage economies to volunteer to receive the technical assistance available and to propose additional projects for inclusion in the Capacity Building Plan.

We welcome the results of the meeting of the *APEC Alliance for Supply Chain Connectivity (A2C2)* and instruct officials to identify high-impact projects that would maximize the *Supply Chain Connectivity Sub-Fund's* contribution to the achievement of the Leaders' goal.

Recognizing the contribution of E-port development and collaboration to supply chain connectivity, we welcome the results of the first meeting of the *Asia-Pacific Model E-port Network (APMEN)* which discussed ways to advance cooperation.

We recognize the contribution that global data standards (GDS) can make to enhancing supply chain performance and welcome progress on a suite of GDS pilot projects of volunteer economies and the related GDS study. We instruct officials to report on progress of the pilots and study and next steps.

We encourage members to advance implementation of the *APEC Customs 3M (Mutual Recognition of Control, Mutual Assistance of Enforcement and Mutual Sharing of Information) Strategic Framework*, with a view to further simplifying and harmonizing customs procedures and enhancing supply chain connectivity among APEC member economies.

We welcome the results of the *Dialogue on APEC Cooperation Network on Green Supply Chain (GSCNET)* and progress in developing a work plan for *APEC Green Supply Chain*. We urge APEC economies to continue active cooperation to advance the sustainable and green development of the Asia-Pacific region.

Transparency to Facilitate Trade

We welcome the development of the *APEC Trade Repository (APECTR)* as a one-stop website for comprehensive information on trade and investment related regulations. We commit to update information on the existing APEC WebTR and launch the APECTR by November by adding new information on trade-related measures, which will contribute to predictability and transparency in trade.

Connectivity Blueprint

We commit to work towards a seamless and comprehensively connected and integrated Asia Pacific region by implementing the *APEC Connectivity Blueprint for 2015-2025* and welcome the initiatives introduced this year, including on improving connectivity to and from remote areas. To

achieve the goal of strengthening physical, institutional and people-to-people connectivity by 2025, we instruct officials to work closely together and undertake the following actions by November 2015:

- Finalize the arrangement for the monitoring, review and implementation of the Blueprint;
- Report on the *Study on Infrastructure Investment in the APEC Region and Peer Review and Capacity Building to Advance Cross-Sectoral Issues on Physical Connectivity* as identified in the Connectivity Blueprint for 2015-2025, bearing in mind the importance of cross-sectoral issues under physical connectivity, including quality of infrastructure, people-centered investment, good practices and principles with a view to promoting quality infrastructure
- Report on the progress of initiatives that take forward the *2013 APEC Multi-Year Plan on Infrastructure Development and Investment*.

Next Generation Trade and Investment Issues

We agreed last year to focus on manufacturing-related services in supply chains/value chains as the next generation trade and investment issue for 2014 and 2015 given the role of manufacturing-related services in upgrading value creation in our economies. We welcome progress towards the *Action Plan on Manufacturing-Related Services* and the case studies undertaken by the APEC Policy Support Unit which contains important policy implications on which APEC can build its future work. We encourage officials to continue discussions on the proposal to identify 'Facilitating Digital Trade for Inclusive Growth', while taking into account domestic circumstances, as a next generation trade and investment issue for 2015 as a contribution to our work on regional economic integration. We encourage officials to work closely with ABAC to provide relevant business perspectives.

Services

Given the importance of the services sector to our economies, we welcome plans to provide a common direction and more coherence in APEC's work on services through the *APEC Services Cooperation Framework (ASCF)* and the *APEC Virtual Knowledge Centre on Services*. We recognise the importance of strong, open, competitive and transparent services markets as drivers of economic activity, growth and job creation. We welcome the results of the Public-Private Dialogue on Services as a platform to discuss trade and investment cooperation in services. We encourage officials to continue these dialogues to build economies' capacities to promote an enabling environment for services trade and investment as well as improve the competitiveness of our services sectors to meet the Bogor Goals and strengthen regional economic integration.

We urge officials to implement projects under the *APEC Action Plan on Statistics on Trade in Services*. We welcome ongoing practical, business oriented work in APEC to update the *Services Trade Access Requirements (STAR)* database and identify good policy and regulatory practices for facilitating services trade and investment.

Investment

To allow investments to flow efficiently and for the greatest benefit, we will continue to implement the *Investment Facilitation Action Plan* (IFAP) through the agreed set of priority actions for 2015-2016. Implementation of IFAP principles will support a more predictable and transparent investment climate and strengthen the role of investment as a driver of growth and jobs.

Industry Dialogues

We welcome the Automotive Dialogue's work of integrating small and medium enterprises (SMEs) into automotive global value chains and a new work stream on electric vehicles in support of the *APEC Actions to Promote the Widespread Usage of Electric Vehicles*. We look forward to the identification of barriers to trade that SMEs face in their integration in automotive GVCs and welcome recommendations for actions to address these barriers.

We welcome the Chemical Dialogue's focus on regulatory cooperation and good regulatory practices, including its cooperation with the Economic Committee, and its cooperation with Oceans and Fisheries Working Group on the development of a joint 2015 work plan to promote innovative solutions to marine debris. We welcome the Dialogue's interim report on its efforts to promote consistent implementation of the *Globally Harmonized System of Classification and Labeling of Chemicals* (GHS) and look forward to its recommendations in November.

We welcome work by the Life Sciences Innovation Forum and the Health Working Group to develop the roadmap to implement the *Healthy Asia Pacific 2020 Framework* as well as the establishment of *APEC Training Centers of Excellence in Regulatory Sciences* to promote greater regulatory convergence by 2020. We look forward to the results of the study on barriers to trade in health care products value chains and discussions on how the barriers to trade identified in the study raise costs for health care products and impede MSMEs in the region from participating in value chains. We encourage discussions on actions economies can take to reduce and eliminate unnecessary barriers to trade in health care products.

We recall the Wine Regulatory Forum's goal to eliminate unnecessary export certifications by 2018 as a step towards reducing the cost of wine trade in the region and welcome its efforts to develop a consolidated APEC wine certificate.

Internet and Digital Economy

The internet and digital economy enables inclusive economic growth in the region and presents significant opportunities for stakeholders, such consumers and businesses in remote locations,

MSMEs, and entrepreneurs, to benefit from the global marketplace. We welcome the progress in implementing the *APEC Initiative of Cooperation to Promote Internet Economy* as well as progress in establishing the *Ad Hoc Steering Group on the Internet Economy* and its task to promote cooperation and facilitate technological and policy exchanges, taking into account the need to bridge the digital divide.

Structural reform

We will continue to advance APEC's structural reform agenda in 2015, including implementing and reviewing progress under the *APEC New Strategy on Structural Reform (ANSSR)*. We welcome the upcoming second *APEC Ministerial Meeting on Structural Reform*, with a view to giving strategic direction to a new structural reform strategy for 2016-2020.

Regulatory Coherence and Cooperation

We will continue to implement initiatives on regulatory coherence and cooperation and maximize the role of the internet and information technology to strengthen the implementation of good regulatory practices. To this end, we welcome capacity-building and technical assistance efforts in the area of public consultations on proposed regulations. Through the *APEC Regulatory Cooperation Advancement Mechanism (ARCAM) on Trade-related Standards and Technical Regulations*, we will continue discussions on electric vehicles and advertising standards. We instruct officials to complete the *APEC Roadmap for International Electric Vehicles Standards* and to finalize the deliverables under the *APEC Action Agenda on Advertising Standards* by November 2015. We encourage officials to finalize the topic and begin preparations for the 4th ARCAM Dialogue in 2016.

We recognize the continued efforts of the *Food Safety Cooperation Forum (FSCF)* and its *Partnership Training Institute Network (PTIN)* to promote the role of science-based regulations in improving food safety and ensuring predictability and transparency in agrifood trade in the APEC region, through work this year on laboratory capacity building, food additives, food safety regulatory standards, antimicrobial resistance control, and industry/regulator communication.

We look forward to the outcomes of the APEC FSCF's work on regulatory convergence through the implementation of the two pilot projects in the areas of export certificates and pesticide maximum residue limits as part of the *APEC Regulatory Cooperation Plan*. We welcome the meeting of the FSCF PTIN Steering Group which will bring industry, academia, and government together to develop further work on food safety capacity building.

Intellectual Property Rights

We welcome the report on Trade Secrets Protection and Enforcement in APEC Economies and acknowledge that trade secrets may be useful in helping SMEs go global. We agree to foster cooperation in the area of IPR protection and enforcement, raise SMEs awareness of IP commercialization, IP marketing and reduction of innovation risks in IP management. We instruct officials to share best practices, on the basis of consensus within the Intellectual Property Experts Group (IPEG), by November 2015 to help economies when addressing trade secrets.

Fostering SMEs' Participation in Regional and Global Markets

Boracay Action Agenda to Globalize MSMEs

We recognize that micro, small and medium enterprises (MSMEs) are an important force in economic activity, growth, job creation, community resilience and innovation. We will complement APEC's initiatives on promoting SMEs' participation in GVCs with an agenda that will support micro and small enterprises as direct exporters.

We endorse and agree to recommend to our Leaders the adoption of the *Boracay Action Agenda to Globalize MSMEs* as an action-oriented initiative that supports APEC's on-going work to address the barriers faced by MSMEs in international trade and facilitate their access to regional and global markets with a strengthened focus on micro and small enterprises.

We identified priority areas for cooperation and action on trade facilitation, e-commerce, financing and institutional support to address the barriers faced by MSMEs in international trade and to collectively support direct participation of MSMEs. We recognize the need to explore and adopt innovative actions to advance APEC's efforts on MSME internationalization. To this end, we support:

- Facilitating access of MSMEs to FTAs/RTAs by simplifying and streamlining rules of origin (ROO) procedural and documentary requirements and harnessing IT to ease documentation and procedures;
- Streamlining customs-related rules and regulations and assist in the compliance of MSMEs;
- Providing timely and accurate information on export and import procedures and requirements;
- Widening the base of Authorized Economic Operators (AEO) and trusted trader programs (TTP) to include SMEs in order for them to contribute to security, integrity and resiliency in supply chains;
- Measures to widen options on financing for MSMEs and further develop the infrastructure to facilitate lending to them;

- Expanding internationalization opportunities for micro and small enterprises providing goods and services through ICT and e-commerce;
- Strengthening institutional support for MSMEs; and
- Strengthening focus on MSMEs led by women.

We welcome strengthened information sharing and stronger coordination across relevant APEC fora to enhance complementarity of projects and initiatives and promote efficient use of resources in implementing the Boracay Action Agenda. We agree to more coordinated and cohesive action within APEC and with ABAC. We encourage cooperation with international organizations and forums, especially those that are giving MSMEs greater emphasis, which will link APEC's work to global efforts.

Global Value Chains

Last year, Leaders believed that APEC should secure equitable benefits from global value chain (GVC) development. We instruct officials to advance the implementation of the *APEC Strategic Blueprint for Promoting GVC Development and Cooperation* through the initiatives and work plans under the different work streams. We commit to cooperate and work towards a more focused GVC evolution to facilitate sustainable, inclusive, and balanced growth in the Asia-Pacific region.

We note plans for a trade policy dialogue in August in the margins of CTI3 in Cebu on how the *2013 APEC Best Practices to Create Jobs and Increase Competitiveness* could also be applied to other types of localization policies.

We welcome the initiatives and work plans under the work stream of *SMEs' Participation into Global Value Chains* in the APEC Strategic Blueprint. We encourage officials to continue the conduct of industry fora consultation and networking in five major industries (IT/electronics, automotive, textiles, healthcare products and agribusiness). We look forward to the progress report by November 2015 on the identification of barriers to trade, business opportunities for collaboration and capacity-building needs of SMEs to integrate into the GVCs of each industry. We note the proposal to promote the integration of small-scale fishers and fishery industries into GVCs, and welcome further discussion of officials on the proposal.

Bearing in mind the importance of making the investment climate more predictable and transparent in the region, we welcome the work plan and initiatives to explore measures and actions for improving the investment climate for GVC development. We instruct officials to further advance the work in this regard with a view to further facilitating cross-border investment flows in global value chains.

Statistics related to GVCs

We welcome the first meeting of the *Technical Group on Measurement of APEC Trade in Value added (TiVA) under Global Value Chains* and progress in completing the construction of the APEC TiVA Database by 2018. We endorse the *Terms of Reference on the Operational Mechanism* and work plan of the Technical Group. We urge officials and experts to collaborate with international organizations and institutions to enhance synergies in policy making, technical assistance and capacity-building.

Strengthening Business Ethics for SMEs

We reaffirm the importance of ethical business practices to long-term economic growth and facilitating engagement in GVCs for SMEs. We encourage the continued implementation of APEC principles for codes of ethics in sectors of importance to SMEs.

Investing in Human Capital Development

We welcome the outcomes of the *High-Level Policy Dialogue on Human Capacity Building* to promote inclusive growth through quality education and training aligned to industry needs. We look forward to the *High-Level Policy Dialogue on Science and Technology in Higher Education* in July 2015. We stress the important role of stronger public-private sector partnerships to ensure that training and competency standards match the skills requirements of enterprises and industries especially in emerging fields. We support regulatory frameworks that promote the development of adaptable human resources. We underline the importance of efficient and effective labour mobility that reduces unemployment and increases productivity. We encourage greater participation in the *APEC Labour Market Portal*. We welcome the initiative to help persons with disabilities to participate in the workforce, and providing them equal access to education to enable their economic participation.

We emphasize the importance of better access to quality education, training and information, including virtual academic mobility through the use of ICT and innovative teaching practices. We will strengthen cross-border education cooperation in APEC, including through enhancing student, researcher and provider mobility. We welcome the updates on the *APEC Scholarship and Internship Initiative* and encourage more economies to put forward offers of scholarships and internships. We welcome the initiative to provide persons with disabilities with equal access education and to enable their participation in the workforce.

We recognize the role of women in the economic prosperity of the region and reaffirm our commitment to take concrete policies and innovative measures to further enhance women's economic empowerment through improved access to capital, assets and markets, as well as to innovation and technology, educational and health services, and promoting women's leadership in public and private sector. We welcome the establishment of the *APEC Women and the Economy Dashboard* as a tool to track progress in reducing barriers in women's economic participation and inform policy discussions. We are committed to integrating gender considerations across APEC activities including through cross-fora collaboration such as the "Healthy Women, Healthy Economies" initiative.

Building Sustainable and Resilient Communities

We recall that Leaders adopted the *APEC Leaders' Growth Strategy* to respond to the changing economic environment in 2010, necessitating the importance of promoting the broadest participation to ensure that the benefits of economic integration are widely shared. We instruct officials to report by November 2015 on the progress in promoting the APEC Leaders' Growth Strategy. We welcome efforts to develop concrete recommendations for future direction.

Resilient and Secure Cross-Border Value Chains

The Asia-Pacific region is highly prone to natural disasters, with 70 percent of all natural disasters. Our collaborative efforts to strengthen the resilience and capacity of our region will help us withstand the challenges of natural and man-made disasters and hazards. We welcome the initiatives at the Committee on Trade and Investment to enhance resilience of GVCs to various risks such as natural disasters. We support the ongoing work on resilient supply chains and secure international travel undertaken by the Transportation Working Group (TPTWG), Emergency Preparedness Working Group (EPWG) and Counter-Terrorism Working Group (CTWG). We encourage officials to undertake more collaborative efforts to enhance value chain resiliency, establish secure value chains, and conduct quantitative value chain research and analysis in the region.

We acknowledge the importance of technology disaster management, particularly ICT infrastructure development, for early warning, disaster preparedness, prevention, mitigation and disaster recovery. We emphasize the importance of quality infrastructure in mitigating environmental risks and enhancing resilience to natural disasters. We encourage officials to explore initiatives to secure quality of infrastructure across various sectors. We welcome further initiatives to protect communities and businesses from disruptions and instruct officials to advance work to facilitate the

movement of humanitarian goods and emergency responders across borders during times of disaster.

Fossil Fuel Subsidy Reform

We reaffirm Leaders' commitment to rationalizing and phasing out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services. We acknowledge New Zealand and Peru for undertaking the voluntary peer review process and the Philippines, Viet Nam, and Chinese Taipei for volunteering to initiate a peer review.

Urbanization

We reaffirm that sustained and healthy development of urbanization is conducive to promoting innovative growth and realizing robust, inclusive and sustainable development in the Asia-Pacific. We welcome the establishment of the *Friends of the Chair (FoTC) on Urbanization* and the progress in the implementation of the *APEC Cooperation Initiative for Jointly Establishing an Asia-Pacific Urbanization Partnership* as endorsed by APEC Leaders in 2014.

We acknowledge the importance of addressing water issues such as serious water pollution and shortage in urban areas. We welcome the endorsement of the proposal on APEC Water Initiative for inclusive resilience and sustainability, and look forward to outcomes of the Public-Private Dialogue in the margins of SOM3 focusing on securing drinking water and conservation of water environment.

Counter Terrorism and Secure Trade Strategy

We recognize that creating a secure environment for economic activity is a vital part of ensuring regional growth and prosperity. We welcome the efforts and activities of the CTWG that are intended to strengthen security and resilience in the Asia Pacific region through activities in the four cross-cutting areas of APEC's Counter Terrorism and Secure Trade Strategy: secure supply chains, secure travel, secure finance, and secure infrastructure. We will continue to give our full support to joint efforts to enhance the coordination and cooperation within APEC, the private sector, and other relevant organizations to create a secure and resilient environment for economic activities and connectivity in the APEC region.

Strengthening Economic and Technical Cooperation

We value the continued interaction with ABAC and other stakeholders. We instruct officials to continue pursuing initiatives and foster closer cooperation with ABAC and other stakeholders to achieve significant outcomes for the region's growth and economic integration. We encourage

officials to keep exploring ways to strengthen the coordination and synergies with international and regional organizations, notably the ASEAN, ERIA, OECD, PECC and the WCO.

We reaffirm the Leaders' commitment to the Manila Framework, recognizing that demand-driven economic and technical cooperation activities will help close the development gap, assist developing economies in achieving the Bogor Goals by 2020, and help achieve strong, sustainable, inclusive economic growth, with quality employment and prosperity for all.

We agree to establish the FTAAP and GVC sub-fund; innovative development, economic reform and growth sub-fund; and connectivity sub-fund under the APEC Support Fund, and value member economies' inputs to these sub-funds.

We welcome the report of the Chair of the APEC officials Meeting (SOM) on the progress of APEC-wide efforts since the beginning of the year. We urge officials to continue their efforts towards meaningful deliverables for Leaders in Manila by November 2015.