

**APEC PERU 2016**  
**AMM JOINT STATEMENT**

We, the APEC Ministers, met in Lima, Peru, on November 17 and 18, 2016 under the Chairmanship of Ambassador Ricardo Luna, Foreign Minister of Peru and Mr Eduardo Ferreyros, Minister of Foreign Trade and Tourism of Peru.

We welcome the participation of the Director General of the World Trade Organization (WTO), the 2016 Chair of the APEC Business Advisory Council (ABAC), the Association of Southeast Asian Nations (ASEAN), the Pacific Economic Cooperation Council (PECC), the Pacific Islands Forum (PIF), as well as the APEC Secretariat and the APEC Policy Support Unit (PSU).

**APEC 2016 PRIORITIES**

In 2015 in Manila, APEC Leaders were determined to take action to build inclusive economies and a better world, to fully realize the vision of a stable, integrated, and prosperous community in the Asia-Pacific. We are committed to taking concrete steps and joint actions to foster peace, stability, prosperity, economic growth and development in the region, for a sustainable Asia-Pacific partnership.

In 2016, our focus is on driving quality and inclusive growth to promote human development. We have been pursuing this goal through four priorities: Strengthening Regional Economic Integration (REI) and Quality Growth, Enhancing the Regional Food Market, Towards the Modernization of Micro, Small and Medium Enterprises (MSMEs) and Human Capital Development.

We discussed the following outcomes under these priorities:

**1. Strengthening Regional Economic Integration and Quality Growth**

By tackling the complex challenges that the global economy is facing, we remain committed to use all available policy tools – monetary, fiscal and structural – individually and collectively, to strengthen global demand and address supply constraints.

Faced with rising skepticism over trade and stagnated trade growth, we reiterate our commitment to build an open economy in the Asia-Pacific featuring innovative development, interconnected growth and shared interests. We reaffirm that open trade policies are essential for sustained recovery and boosting growth for coming years. We also believe that the benefits of trade and open markets need to be communicated to the wider public more effectively, emphasizing how trade promotes innovation, employment and higher living standards, and creates opportunities for our citizens that can support inclusive growth.

Against this backdrop, we commend progress made in 2016 in the APEC region in pursuing trade and investment liberalization, business facilitation and economic and technical cooperation to boost human development, inclusive growth and prosperity in the region. Highlights of this progress are as follows:

**Support for the Multilateral Trading System**

We reaffirm our commitment to strengthen the multilateral trading system and recognize the important role of international trade to job creation, and sustained

economic recovery, development and prosperity. We underline our confidence in the value and centrality of the rules-based, transparent, non-discriminatory, open, and inclusive multilateral trading system embodied in the WTO.

Building on the WTO's successful Bali and Nairobi Ministerial Conferences and recognizing all the elements contained in the Ministerial Declarations, we commit to continue implementing the Bali and Nairobi outcomes and advance negotiations on the remaining Doha Development Agenda issues as a matter of priority. We also note a range of issues of common interest and importance to today's economies in the Asia-Pacific region may be legitimate issues for WTO discussions. Therefore, we instruct our officials to work with a sense of urgency and solidarity with all WTO Members to set the direction together towards achieving positive and meaningful results by the next WTO Ministerial Conference in 2017 and beyond.

We endorse the initiative on Progressing the WTO Ministers' Decision to Eliminate Export Subsidies.

We reaffirm the pledge made by our Leaders against protectionism through a standstill commitment that we recommend be extended until the end of 2020 and to roll back protectionist and trade-distorting measures, which weaken trade and slow down the progress and recovery of the international economy. In this context, we continue to support the ongoing work of the WTO and other international organizations in monitoring protectionism.

We welcome the progress made by economies in notifying their acceptance of the WTO Trade Facilitation Agreement (TFA). We call upon the remaining APEC Economies as well as other WTO Members to make their utmost efforts to submit their instruments of acceptance of the TFA by the end of the year.

We recognize that WTO consistent plurilateral trade agreements with broad participation can play an important role in complementing global liberalization initiatives. In this regard, the ongoing or already concluded plurilateral agreements such as the Information Technology Agreement and its expansion, the Trade in Services Agreement, and the Environmental Goods Agreement, shall be open to all WTO members who share the objectives of such plurilateral agreements and negotiations for participation.

APEC economies participating in the WTO Environmental Goods Agreement (EGA) negotiations reaffirm their aim to redouble efforts to bridge remaining gaps and conclude an ambitious, future-oriented EGA that seeks to eliminate tariffs on a broad range of environmental goods by the end of 2016, after finding effective ways to address the core concerns of participants.

Furthermore, we also welcome the implementation of the Information Technology Agreement (ITA) expansion and call on those who have committed to implement by July 1<sup>st</sup> 2016 to do so as soon as possible.

### **Bogor Goals**

We reaffirm our commitment to achieve the Bogor Goals of free and open trade and investment in order to strengthen and deepen regional economic integration through both collective and individual efforts. We commend the completion of the 2016 Second-Term Review of APEC's Progress Towards the Bogor Goals and agree to submit this report to our Leaders.

We welcome the positive findings of the report, which show that in our region, relative to 1994, MFN applied tariff rates are much lower, there are more RTA/FTAs in force, more sectors are accessible to foreign investment and services trade, and indicators on socioeconomic progress, trade and investment facilitation have also improved.

We encourage further work to address barriers identified in the report that prevent APEC from attaining free and open trade and investment.

We reaffirm our collective and individual commitment to further promote trade and investment liberalization and facilitation and to reduce or eliminate restrictions and enhance cooperation to address "behind-the-border" barriers through undertakings in line with APEC's work on structural reform.

We welcome the First SOM Dialogue on APEC Toward 2020 and Beyond, and call on economies to continue further discussions with a view to developing a post 2020 vision for APEC.

### **Free Trade Area of the Asia-Pacific (FTAAP)**

We reaffirm our commitment to advance the process in a comprehensive and systematic manner towards the eventual realization of the FTAAP as a major instrument to further APEC's regional economic integration agenda towards and beyond the Bogor Goals.

We recall that APEC Leaders mandated a Collective Strategic Study on Issues Related to the Realization of the FTAAP, along with any Recommendations, in the Beijing Roadmap in 2014 and instructed officials to finalize the Study and report to Leaders by the end of 2016.

We acknowledge the high-quality work that has gone into the Collective Strategic Study and its Executive Summary along with Recommendations concluded by the Taskforce, which is one of the most important deliverables of APEC 2016. We submit to Leaders and seek endorsement of the Study, its Executive Summary and its Recommendations. Based on these Recommendations, we instruct APEC Officials to further develop and implement the work programs in areas identified in the Study's Recommendations but not limited to them, in order to enhance economies' capabilities towards the realization of the FTAAP. APEC Officials are further instructed to report on their progress at the Ministers Responsible for Trade Meeting in May 2017. We value the contributions from the APEC Business Advisory Council, PECC and PSU to the FTAAP Study.

We welcome APEC's progress in implementing the Regional Economic Integration (REI) Capacity Building Needs Initiative (CBNI), which has contributed to the expansion of our understanding on relevant fields of FTA negotiations, and will continue to serve as a solid stepping stone for the realization of the FTAAP. We welcome the capacity building workshops that took place this year and encourage economies to propose further capacity building actions under CBNI.

We welcome the results of the Information Sharing Mechanism, including the SOM Dialogue on RTAs and FTAs, the Trade Policy Dialogue on RTAs/FTAs and the annual PSU report on RTA/FTAs in the APEC region. We instruct economies to continue working towards enhancing the transparency of RTAs/FTAs in the region and instruct officials to discuss further the best practices which would improve the utilization of RTAs/FTAs in the region, especially by SMEs. We look forward to the Dialogue and Seminar regarding FTAAP next year.

## **Quality Growth**

We note the importance of undertaking policies that result in the achievement of balanced, inclusive, sustainable, innovative, and secure growth. Hence, we reaffirm the APEC Strategy for Strengthening Quality Growth, which prioritizes institution building, social cohesion, and environmental impact, to better focus our efforts in pursuing quality growth, building upon the 2010 APEC Growth Strategy, and bearing in mind the commitments in the 2014 APEC Accord on Innovative Development, Economic Reform and Growth.

We welcome the Implementation and Monitoring of the APEC Strategy for Strengthening Quality Growth at two levels: through the domestic processes of each economy and through the APEC framework.

## **Structural Reform**

We acknowledge the essential role of structural reform in boosting productivity and potential output as well as narrowing the development gap and promoting innovative growth in the region. We endorse the 2016 APEC Economic Policy Report (AEPR) on Structural Reform and Services. It recommends that unilateral services structural reforms should focus on productivity and efficiency to generate inclusive economic growth, with policy frameworks that promote market-based competition to deliver productivity gains and ensure efficient supply. We instruct officials to strengthen the collaboration between Committee on Trade and Investment (CTI) and Economic Committee (EC) on services and structural reform. We look forward to the 2017 AEPR, focusing on structural reform and human capital development.

We reaffirm the role of structural reform in fostering medium-term economic growth and reversing the recent slowing down in our economies, and we welcome the ongoing implementation of the Renewed APEC Agenda for Structural Reform (RAASR), which strives to stimulate balanced and sustainable growth and reduce inequality.

We welcome economies' RAASR Individual Action Plans (IAP) for 2016-2020, which outline each economy's priorities for action on relevant domestic structural reforms by 2020.

We strongly recommend economies' officials to work on their respective IAPs to achieve positive results by 2020, as mandated by RAASR.

We welcome the progress achieved to date on the Ease of Doing Business (EoDB) initiative, as well as the decision to proceed with the Second Phase of the EoDB Initiative in order to reach the 10 percent improvement goal by 2018.

## **Services**

We acknowledge that services are a major contributor to productivity and growth within APEC. Improved competitiveness in services sectors as well as growth in services trade through an open and predictable environment for access to services is one of the key factors for APEC to boost its economic growth.

We encourage member economies to take collective and unilateral actions including capacity building activities to promote an enabling environment for dynamic and efficient services markets. We will seek to ensure that regulations promote fair competition and the adoption of new technologies.

Therefore, we welcome the finalization of the APEC Services Competitiveness Roadmap as a concrete set of actions aimed at achieving these goals and agree to submit the Roadmap to Leaders for endorsement. We further instruct our officials to undertake the necessary work to advance the objectives set out under the Roadmap, through APEC-wide and individual actions contained therein, including the development of an APEC index to measure the services regulatory environment in APEC economies, as envisaged in the Roadmap.

As instructed by Leaders in the APEC Services Cooperation Framework to broaden multi-stakeholder engagement and share information and best practices on services-related policies and programs in APEC, we welcome the launch of the APEC Virtual Knowledge Center on Services.

### **Strengthening Comprehensive Connectivity**

We reaffirm the importance of initiatives under the APEC Connectivity Blueprint for 2015-2025, towards a seamless and comprehensively connected and integrated Asia-Pacific region by 2025 through regional, sub-regional and domestic connectivity, including remote area connectivity. We encourage member economies to take further actions and develop additional targets to ensure the continued implementation of the APEC Connectivity Blueprint 2015-2025, under the pillars of physical, institutional and people-to-people connectivity. We commend the efforts to further monitor, review and evaluate the implementation of the Blueprint.

Against the background of rapidly growing demand on infrastructure in the Asia-Pacific region, we commit to promote investment with a focus on infrastructure in terms of both quantity and quality. We welcome the progress being made to ensure quality infrastructure, including the progress of the APEC Peer Review and Capacity Building on Infrastructure Development and Investment. To further advance our work, we commit to develop, maintain and renew quality infrastructure, including on ICT, energy and transport based on the important elements as demonstrated in related APEC works such as the APEC Connectivity Blueprint 2015-2025 and other individual projects, including Peer Review and Capacity Building.

We acknowledge that innovative financing of infrastructure is critical to ensuring full economic growth and economic integration potential of the Asia-Pacific region, including exploring financing through public-private partnerships (PPP) and other innovative means, as well as sharing knowledge and experiences. We encourage work within the Asia-Pacific Infrastructure Partnership.

We recognize a key role of ICT infrastructure in enhanced connectivity at all levels and encourage economies to develop and cooperate on more initiatives on ICT infrastructure development and innovation.

We reaffirm the significance of further facilitating business travel as a way to enhance economic activities and promote people-to-people connectivity. In this regard, we are committed to further enhancing the APEC Business Travel Card scheme, in order to provide more efficient and secure travel throughout the region.

### **Investment**

We acknowledge the significance of the Investment Facilitation Action Plan (IFAP) and encourage economies to report progress on the implementation of the agreed set of priority actions for 2015-2016. Moreover, we call on APEC officials to continue their efforts in implementing IFAP actions so as to contribute to a favorable investment climate in the APEC region. We welcome policy dialogues to exchange best practices

on IFAP's implementation in the APEC region. We also support efforts to promote investments in infrastructure in order to improve the connectivity in the APEC Region. In the context of the APEC Strategy for Strengthening Quality Growth, it is also important to promote sustainable investment in APEC economies.

### **Trade Facilitation**

We welcome the final assessment of the Supply Chain Connectivity Framework Action Plan (SCFAP). The SCFAP and its two predecessors, the APEC Trade Facilitation Action Plans (TFAP I and TFAP II), were ambitious initiatives which attest to APEC's leadership in implementing trade facilitation measures. Although APEC has made considerable progress through the initiative, further gains can still be made. Therefore, we submit to Leaders for their endorsement the Suggested Framework for Phase Two of SCFAP 2017-2020 and welcome the start of implementation next year to continue to enhance supply chain connectivity and efficiency in the APEC region.

We look forward to the conclusion of pilot projects and the related PSU Study on interoperable Global Data Standards (GDS) that will assess the costs and benefits of using GDS to enhance supply chain performance. We encourage officials to explore next steps for the wider use of interoperable GDS in the APEC region, based on the outcomes of the PSU Study.

We instruct officials to continue the work of the APEC Alliance on Supply Chain Connectivity (A2C2) and make use of its contributions in APEC's capacity building efforts, based on regular inputs from the public and private sectors. We commend the results and ongoing implementation of the other five capacity building projects and encourage officials to continue to identify key capacity building programs that align with phase two.

We reaffirm the importance of carrying forward work related to the Asia-Pacific Model E-Port Network (APMEN), to advance supply chain connectivity through E-port development and collaborative efforts. In this respect, we welcome the outcomes of the activities carried out so far and encourage economies to continue participating.

We look forward to the final Report on Best Practices on Critical Issues in the Asia-Pacific Region in order to pursue the Implementation of the WTO Trade Facilitation Agreement (TFA). Through APEC's leadership in this field, we support the complete and effective implementation of the TFA as soon as possible.

We commend progress on the Initiative on Single Window Systems' (SWS) International Interoperability to foster the flow of goods, enhance supply chain security, reduce costs and provide quality and timely information on trade across borders. We look forward to the PSU study on key issues for implementing this Initiative. We encourage economies to begin deliberations next year on establishing pilot projects on a voluntary basis based on the outcomes of the study.

We commend the APEC work done in the field of Customs Procedures noting its importance, as we continue to pursue effective and secure trade and facilitation in the region, based on the international standards developed by the World Customs Organization. We value the achievements made in implementing APEC Customs Mutual Recognition of Control, Mutual Assistance of Enforcement and Mutual Sharing of Information Strategic Framework. We welcome the increased collaboration with other fora, particularly on trade facilitation, combating illegal logging, travel facilitation and counter-terrorism issues. We encourage further work in experience exchange on

the implementation of WTO TFA and promotion of customs control over cross-border E-commerce for better connectivity, further integration of regional economy and modernization of MSMEs.

We encourage further efforts to strengthen our work in trade facilitation through building on existing workstreams, including on simplification of documents and procedures and transparency through the APEC Trade Repository, and encourage close coordination within APEC and its stakeholders to achieve our goals.

We reaffirm the importance of information sharing along the supply chain. Especially, in light of greater consumer protection from hazardous chemicals coming down through the regional supply chains, we welcome discussions undertaken at the Chemical Dialogue on chemSHERPA and other programs that would promote sharing information on chemicals in products.

### **Global Value Chains**

We recognize that integration into global value chains can lead to a wide range of benefits, such as contributing to the diversification of exports, creating new jobs or acquiring new technological capabilities in accordance with international best practices.

We support progress in implementing the work streams of the APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation.

We commend the robust progress towards the completion of the APEC Trade in Value-Added (TiVA) Database by 2018. We welcome the activities made so far in implementing the Strategic Framework on Measurement of APEC TiVA under GVCs, its Action Plan and the 2016 Progress Report. We welcome the 2017-2018 Work Plan for the APEC Technical Working Group on Measurement of TiVA under GVCs.

We welcome the endorsement of the Report on APEC Developing Economies Better Participation in GVCs, and encourage members to carry out the recommendations contained in the report.

We also take note of the draft report of the Study on the Enhancement of Integration of Regional Value Chains in Asia and Latin America and the Caribbean (LAC), and look forward to its finalization.

We value the final report and outcomes of the initiative on Promoting SMEs' Integration into GVCs in Major Industries, namely IT/electronics, automotive, textile, healthcare and agribusiness. We also support the initiative on SMEs' Integration into Global Value Chains in Services Industries. We welcome the sectors established so far, namely software, tourism, fashion design and logistics, and encourage economies to voluntarily lead a sector and participate in the initiative.

We welcome the endorsement of the scope and reporting method for the initiative on Increasing Transparency on Measures Affecting Exports, which will provide traders and other stakeholders with important market information and facilitate participation in GVCs. We encourage economies to undertake the work needed to implement this initiative and begin reporting the agreed information.

We also encourage cooperation with relevant international organizations and partner institutions to draw on their expertise and knowledge for promoting GVCs' development and cooperation in APEC, aiming to advance in studies and analysis required to design adequate methodologies that could help support public policies and actions in this area.

## **Environmental Goods and Services/Green growth**

We welcome the recent entry into force of the Paris Agreement and commit to its ambitious and effective implementation. Our actions in these areas will protect human health and the environment, provide incentives for investments in green growth, and promote the global transformation required for a low carbon economy.

We congratulate economies that have fulfilled the Leaders' groundbreaking commitment to reduce applied tariffs on the APEC Environmental Goods List to five percent or less, and strongly urge those economies that have yet to fulfill this commitment to do so as soon as possible, and to update economies on the status of their implementation efforts.

We welcome the completion of the PSU Survey on Regulatory Measures in Environmental Services. We look forward to further studies to build and enhance a common understanding of the roles of a wider range of services in environmental industries and businesses, as envisaged under the Environmental Services Action Plan (ESAP).

We commend progress in the work of the APEC Cooperation Network on Green Supply Chain (GSCNET), including the launching of a bilingual website operated by GSCNET Tianjin Pilot Center. We welcome new member institutions which have joined the GSCNET and encourage members to nominate more institutions and experts to participate and contribute to a well-functioning GSCNET.

## **Next Generation Trade and Investment Issues**

We welcome progress in implementing the Manufacturing Related Services Action Plan (MSAP), including the Implementation and Review Mechanism of the MSAP, and look forward to further exchanging views on economies' actions concerning manufacturing related services.

We welcome the ongoing work of the PSU on examining key issues in promoting digital trade in APEC and look forward to the finalization of its study on this topic. We take note of the next steps to advance our work on digital trade and look forward to continue exchanging views on this topic in 2017 by undertaking capacity building, developing case studies, and identifying practices to expand and promote digital trade in the region, and to ensure all member economies' participation in digital trade, taking into consideration specific economic circumstances.

We note the discussion of the pathfinder initiative for a permanent customs duty moratorium on electronic transmission, including content transmitted electronically.

We reaffirm the important role that APEC plays as an incubator of policies to address issues that arise in the region's dynamic business environment and encourage officials to work closely with ABAC to ensure that APEC's next generation trade and investment issue remains relevant to private sector stakeholders.

We welcome the APEC Initiative of Cooperation to Promote Internet Economy, as well as the TELWG Strategic Action Plan 2016-2020 and look forward to the development of the APEC Internet Economy Roadmap by the Ad Hoc Steering Group on the Internet Economy. We will collaborate to unleash the potential of internet and digital economy by promoting the adoption of emerging ICTs, such as the Internet of Things (IoT) and encourage secure cross-border flows of information, while addressing the need to bridge the digital divide.



We recognize the importance of the APEC Cross Border Privacy Rules (CBPR) System, a voluntary mechanism whose participants seek to expand participation, and we support enhanced cooperation in this area, including through promoting capacity building.

### **Good Regulatory Practices and Cooperation**

We reaffirm the importance of creating a sound regulatory environment, advancing good regulatory practices and cooperation, promoting alignment of advertising standards and reducing the cost of doing business across the region.

We welcome the progress on the implementation of the APEC Action Agenda on Advertising Standards and Practices and look forward to follow up activities to prepare a five year implementation strategy.

We welcome the dissemination of best practices in Regulatory Impact Assessment (RIA) among interested economies to increase efficiency of legislation and provide transparency and quality of regulatory decision-making processes.

We welcome the work done by the Economic Committee on regulatory improvement, including carrying out the 9th Conference on Good Regulatory Practices on the theme of building high level support for reform and international regulatory cooperation.

We welcome the ARCAM Dialogue on Facilitating Trade and Investment in Sustainable Materials Management (SMM) Solutions and look forward to the forthcoming report to enhance regulatory cooperation and coherence among APEC economies in this sector.

We note the discussion of government procurement related issues to enhance APEC member economies' understanding of opportunities and challenges in this area. We look forward to continued work on government procurement related issues.

### **Standards and Conformance**

We welcome the work done by the Sub-Committee on Standards and Conformance (SCSC) to strengthen standards and conformance infrastructure, to support and promote innovation, trade facilitation and competitiveness of MSMEs as well as a quality culture in the APEC region through the exchange of experiences in standards and conformance education.

We welcome the continued efforts of the Food Safety Cooperation Forum (FSCF) and its Partnership Training Institute Network (PTIN) that contribute to the enhancement of food safety systems and predictability and transparency in agriculture and food markets, facilitate international trade in the APEC region, and strengthen food safety infrastructure through behavioral science interventions that improve hand hygiene compliance. We congratulate the SCSC Wine Regulatory Forum (WRF) for fulfilling its goal to develop a consolidated voluntary APEC model wine certificate. We look forward to continued work by the WRF to promote the reduction and elimination of technical barriers on wine trade.

We highlight that strengthening effective, science-based and transparent food regulatory systems is crucial to food trade facilitation. Recognizing that approaches and requirements to food safety may differ between economies or areas within them, we remain committed to seek and develop common ground for promoting strong science-based food safety systems that meet the legitimate objectives of protecting human, animal and plant life or health, whilst their application is as least trade restrictive as

possible, consistent with WTO rights and obligations under agreements such as the Agreement on Technical Barriers to Trade (TBT) and the Application of Sanitary and Phytosanitary (SPS) Measures. Thus, we praise food safety cross-fora co-operation and capacity building initiatives on this matter implemented in 2016.

### **Intellectual Property Rights**

We endorse the APEC Best Practices in Trade Secrets Protection and Enforcement Against Misappropriation and acknowledge the importance of trade secrets as one of many essential tools that may help MSMEs to maintain their competitive standing, secure financing, and integrate themselves into global supply chains.

We recognize the importance of further work to promote cooperation, protection and enforcement of intellectual property (IP) rights, in accordance with TRIPS Agreement and enhance MSMEs' capacity on IP management and commercialization for their continuous development, growth and innovation.

## **2. Enhancing the Regional Food Market**

We recognize the importance of international trade among APEC members to increase market access in the food sector, which leads to greater food security by increasing the availability and diversity of the food supply. We call upon all WTO members to engage constructively to negotiate and make all concerted efforts to agree and adopt a permanent solution on the issue of public stockholding for food security purposes by the 11<sup>th</sup> Ministerial Conference of the WTO. Moreover, we recognize that open, transparent multilateral trade among APEC members has already led to significant food security gains in the APEC region. We are resolved in making positive efforts to address in the appropriate APEC sub-fora the outstanding issues identified in the 2016 Second-Term Review of APEC's Progress towards the Bogor Goals in accordance with WTO rules. We also encourage economies to address relevant measures including non-tariff measures and non-tariff barriers.

We welcome the Piura Declaration on Food Security and its annexes. These documents set clear steps forward to consider integrated economic approaches, enhance food markets and sustainably produce food in the face of challenges to food production, storage and distribution. Thus, we encourage APEC economies to participate actively in these framework initiatives and to develop the respective action plans in 2017.

We welcome the multi-year APEC Program on Food Security and Climate Change. We recognize the profound impact that climate change will have on food security in every APEC economy.

We welcome the establishment of the Strategic Framework on Rural-Urban Development to Strengthen Food Security and Quality Growth in APEC which recognizes the important implications of urbanization in the APEC region for food security, and the need for new, integrated economic approaches that promote food security and economic growth across the entire rural-to-urban spectrum.

We highlight the importance of water as a basic element for sustainable agriculture and maintaining the natural environment, and that serious challenges are evident throughout the APEC region due to increased demand and the impact of climate change. We call on APEC economies to share their experiences on water governance for development and sustainability; as well as on its sustainable use and integrated

management. Moreover, we encourage public-private partnerships to foster investment to improve water supply to populations and producers.

We remain committed to the long-term goal of developing a sustainable APEC Food System to enhance food supply efficiency and improve access to food and nutrition across the Asia-Pacific region and to provide long lasting food security for our populations. We will deepen regional cooperation on food standards and improve efficiency of food trade.

We reaffirm our resolve to implement the APEC Food Security Roadmap Towards 2020 and its commitments. Furthermore, we encourage economies to continue the implementation of the 2030 Agenda for Sustainable Development, noting the direct relevance of a number of the Sustainable Development Goals (SDGs) for food security. We strive to tackle food insecurity and malnutrition of vulnerable groups, and encourage contribution of the private sector in this regard.

We acknowledge the important role of producers, including small scale producers in agriculture production and entrepreneurs in the food system, and support business models that promote capacity building and market access to strengthen their competitiveness in the overall food value chain. We acknowledge that connecting small-scale producers to local, regional and global markets has the potential to expand livelihood, reduce poverty, promote rural development and improve food security in the region.

We value deliberations throughout 2016 on the cross-cutting issues of food security and climate change, and solutions including the use of agricultural innovation, sustainable use of resources, disaster management, agricultural technical cooperation and promotion of rural-urban development. We encourage economies to design focused, consensus-based actions to address these issues and to enhance agricultural productivity and food markets and reinforce the APEC Food System. We also encourage economies to promote investment, quality infrastructure, services and capacity building, including through the sharing of best practices, to support economic integration for the sake of food security and prosperity in the region.

We note the role of the APEC Climate Center (APCC) in fostering strengthened science-based climate information systems for environmental and risk management related to food production. We also recognize the contribution of the 10th Senior Disaster Management officials on the issue of food security

We encourage member economies to strengthen communication and cooperation on food loss and waste reduction strategies, share best practices and call on member economies and stakeholders to make significant efforts to reduce food waste, improve its management and educate consumers to avoid waste. We value the progress of the APEC Food Losses Multi-Year project.

We note the increasing importance of sustainable fisheries and aquaculture to the region's food supply, as well as the significant challenges facing this sector. We encourage APEC economies to implement science-based measures to sustainably manage fish habitats and coastal and marine ecosystems – including adapting such measures to climate change as appropriate – and to cooperate to rebuild stocks, halt overfishing, and prevent, deter and eliminate Illegal, Unreported and Unregulated (IUU) fishing in the region. We call for further coordination and collaboration among APEC experts in fisheries, aquaculture, and agriculture under APEC's food security agenda.

### **3. Modernizing Micro, Small and Medium Enterprises (MSMEs)**

We welcome the 2016 SME Ministerial Statement and acknowledge the fact that the modernization of SMEs implies taking concrete steps to increase their innovation capacities. Together with other initiatives, we will focus on fostering enabling environments and policies, innovation, reinforcing access to financial means, ICT infrastructure and capacity building, enhancing the participation of SMEs in electronic commerce, and Online-to-Offline (O2O) business model in order to help them gain access to new markets, reducing technological gaps faced by SMEs, and progressively promoting a more sustainable, eco-friendly and green production. We also acknowledge that it is important for each APEC economy to promote MSMEs' active participation in global value chains (GVCs) through measures to address challenges faced by MSMEs in conducting overseas business development, e.g improving infrastructure, ensuring transparency in legal systems and business practices.

We welcome progress made by APEC in implementing the Boracay Action Agenda to Globalize MSMEs. We encourage economies to further reduce the costs associated with non-tariff measures (NTMs), as recognized by APEC economies through their inclusion in the Boracay Action Agenda and APEC Individual Action Plans. We further encourage economies to continue the development of initiatives that will benefit MSMEs in the region and contribute to their internationalization. We also acknowledge the importance of greater involvement of SMEs in business-to-business (B2B) and business-to-government (B2G) markets.

We welcome the initiative to develop a Compendium on Methodologies for SMEs Internationalization in order to exchange APEC members' policies, strategies and measures to achieve SMEs' internationalization. We look forward to the progress of this initiative in 2017 towards contributing to the Boracay Action Agenda and the Iloilo Initiative on MSMEs Marketplace.

We recognize the opportunities that the digital economy offers to MSMEs to enhance integration into global supply chains and value chains, fostering more inclusive and sustainable economic growth.

We welcome the progress of the APEC Supporting Industry Initiative from the viewpoint of promoting policies for the improvement of supporting industries' productivity and competitiveness, with particular focus on MSMEs, by sharing policy experiences in APEC, and instruct officials to take steps to report research outcomes to Ministers and to develop a policy guideline in 2017.

We welcome the initiative to develop an APEC Strategy for Green and Sustainable MSMEs. We encourage the public-private partnership approach as a means to create an enabling environment where MSMEs can take part in green activities in a cost-effective manner, and to enhance green awareness and necessary skills of MSMEs to develop accessible green technologies.

We welcome the outcomes of the third APEC Business Ethics for SMEs Forum, notably the launch of the ethical business frameworks bringing together diverse stakeholders in a new model to eliminate unethical business practices across healthcare systems. We reaffirm the commitment by APEC economies to enhance work with third party intermediaries. We also welcome the new Implementation Team envisioned for the engineering and construction sector that will foster cross-fora collaboration within APEC to strengthen infrastructure development practices.

#### **4. Developing Human Capital**

We welcome the Joint Ministerial Statement from the Sixth APEC Education Ministerial Meeting and its associated outcomes, particularly the APEC Education Strategy which will guide us to achieve inclusive and quality education and training by enhancing competencies, accelerating innovation and increasing employability. The APEC Education Strategy will help support an increase in the participation rate of disadvantaged and underrepresented groups and align education to the needs of individuals, societies, labor markets and science-technology development. We therefore encourage member economies to start implementing the APEC Education Strategy, including by setting annual goals in the 2017 HRDWG work plan.

Taking into consideration the vital role of ICTs in the modern world connectivity, and understanding that bridging the digital divide can help facilitate better access to education, we encourage APEC economies to promote capacity building activities for increased digital literacy.

We also welcome the development of the APEC Baseline Report on Current Education Status in the Asia Pacific region, as an important tool for enhancing mutual understanding, and learning of educational development among APEC member economies. We urge APEC officials to update this important information when necessary.

We acknowledge the importance of mainstreaming human development through APEC fora. Thus, we encourage member economies to explore possible cross fora collaboration on human capital development, so as to include MSMEs, women, youth, the elderly and persons with disabilities. With a view to preparing our societies for the future world of work, we would welcome a focus on developing 21st century skills, promoting entrepreneurship and boosting employability in our students and youth, including STEM, data analytics and technical skills focusing on women and disadvantaged groups.

In this regard, we are committed to strengthening our efforts to tackle youth unemployment under the APEC Framework for Youth Education, Employment and Entrepreneurship, which was adopted by the HRDWG.

We welcome the outcomes of the Joint Meetings between HRDWG, PPSTI and the EC in 2016 and encourage them to continue working together to further develop human capital in the region, to contribute to the structural reform agenda, and to deepen participation in labor markets.

We recognize that collaborative work in APEC will help shape and enhance the skills and competencies of people through either education or work experience. Educational processes are an essential tool that enables people to benefit throughout their lives from training, innovation, research and problem solving.

We acknowledge that human capital development should focus on boosting workers' skills to increase the competitiveness of enterprises through innovation in processes and productivity. We recognize that the acquisition of soft skills is just as important as technical capabilities.

We recognize the importance of workplace safety and encourage APEC economies to share relevant best practices across the APEC region.

#### **OTHER SECTORAL OUTCOMES**

## **Tourism**

We welcome the strong commitment of the 2016 APEC Tourism Ministerial Meeting (TMM) to foster an environment that allows tourism-related MSMEs to participate in global value chains to encourage inclusive growth.

As the world's largest air passenger market, we acknowledge the importance of travel and tourism as a vehicle for job creation, economic growth, sustainable development, and peace. In that sense, we welcome the APEC Travel Facilitation Initiative's (TFI) progress in facilitating and enhancing people to people connectivity. We recognize travel facilitation and air connectivity as key factors for economic and regional development and catalysts for quality growth of the tourism sector. The movement of travelers across the Asia-Pacific region for both business and tourism is key to promoting economic growth, trade, and regional economic integration.

We welcome the "Developing Traveler-Friendly Airports in the APEC Region" and stress the importance of moving forward with efforts to develop smart traveler programs and visa facilitation agreements. We also encourage APEC economies to develop trusted traveler programs and utilize advanced information systems such as advance passenger information and passenger name record (API/PNR) in order to ensure safe, secure and efficient travel.

## **Urbanization**

We acknowledge that urbanization is rapidly advancing in the Asia-Pacific region and note the need to implement sound, sustainable and people-oriented urbanization processes in order to create new opportunities and to invigorate innovative development. We note with appreciation the APEC High-Level Urbanization Forum held in Ningbo, China, and the Ningbo Initiative. We encourage APEC economies to further and deepen urbanization cooperation and enhance APEC economies' urbanization quality.

We take note of the project on Developing the Methodology for Measuring and Realizing the Sustainability of Cities in the APEC region.

## **Women and the Economy**

On this five year anniversary of the San Francisco Declaration we reaffirm our shared vision for inclusive growth in which women are able to achieve their full economic potential and contribute to the development and prosperity of the Asia-Pacific. We welcome the APEC Women and the Economy 2016 Forum Statement that recognizes the crucial role of women in the development and prosperity of the Asia-Pacific.

We underline the importance of women's contribution to economic growth with a view to achieving a more inclusive and balanced growth for the Asia-Pacific region through fostering an enabling environment for women. Recognizing our responsibility to create a society in which all women and girls are empowered and actively engaged for sustainable, inclusive and equitable economic growth, we call on economies to pursue concrete policies and innovative measures to further enhance women's economic empowerment by providing wider access and more resources for more women to engage in economic activities, and seek their greater inclusion in the regional economy as well as through the provision of equal opportunities for employment, entrepreneurship, training and education, social protection, innovation, access to international markets, leadership and decision-making at all levels.

We recognize the importance of having a systematic approach to women's economic empowerment, including enhancing digital literacy of women, recognition and redistribution of unpaid care work, the elimination of gender-based violence and to advocate for mutual respect and shared responsibilities between men and women.

Recognizing that enhancing women's representation in the economic sphere particularly in leadership, decision making and management will serve as a catalyst to promote economic growth, we welcome the mid-term review study and Public- Private Dialogue (PPD) of the Individual Action Plan (IAP) for the Enhancement of the Ratio of Women's Representation in Leadership project. We also welcome the initiative to conduct and share case studies of Good Practices on Gender Diversity in Corporate Leadership for Growth.

We welcome the outcomes of the 2016 APEC Women in STEM Forum as a key contribution to address capacity building priorities identified under the Women and the Economy Dashboard. We welcome economies' efforts to encourage adolescent girls' participation in STEM fields. We welcome the conclusion of APEC Multi Year Project on Innovation for Women and Economic Development.

We welcome the outcomes of the first APEC contest for women-entrepreneurs APEC Business Efficiency and Success Target Awards (APEC BEST Awards) for promoting women's entrepreneurship through spreading success stories across the APEC economies and boosting business networking, and call for continued implementation of the APEC Healthy Women, Healthy Economies Policy Toolkit.

We encourage more extensive collaboration and mainstreaming of gender equality and women's economic empowerment across APEC working groups and fora, considering its nature as a cross-cutting issue.

## **Health**

We welcome the outcomes and recommendations from the Sixth High-Level Meeting on Health and the Economy and efforts to explore multi-sectoral approaches to ensure the implementation of the Healthy Asia-Pacific 2020 Roadmap in support of the 2030 Sustainable Development Goals (SDGs). We welcome efforts to build more efficient and high-performing health systems, including through public-private partnerships. We encourage cross-fora collaboration to achieve the common goal of proactive investment in healthy workforces and access to healthcare.

We call on APEC economies to continue to work together to enhance the evidence base for policy development, effective health interventions, improved decision-making, and impact measurement. We acknowledge the importance of the secondary use of health and medical data in accordance with relevant ethical and data privacy laws principles. We call on economies to reduce unnecessary barriers to trade and investment in the supply chain of healthcare products. We welcome APEC efforts to campaign for mental health including the development of projects under the APEC Digital Hub for Mental Health. We welcome capacity building efforts to ensure the safety and sustainability of the blood supply chain, and accelerate action on cervical cancer.

We emphasize the importance for APEC economies of ensuring proper resource allocation; underscoring the importance of health in domestic budgets; making high impact investments; aligning regulatory standards and procedures, and maximizing the use of existing health infrastructure for improving health system efficiencies.

Furthermore, we call on APEC economies to improve people's health and well-being by putting in place health systems, which achieve and maintain Universal Health Coverage (UHC). We recognize the importance of strong health systems in fostering quality growth, financial inclusion, and human development and look forward to the further work planned for 2017 on ways to address the fiscal and economic impacts of ill health.

The life sciences are critical to supporting quality growth, innovation and access to medical products. We reaffirm APEC's goal of achieving convergence of regulatory approval procedures for medical products by 2020 and urge the Life Sciences Innovation Forum (LSIF) to continue applying its model of government, academia and industry cooperation to build capacity and policy research towards achieving this goal. We welcome the Center of Excellence pilot programs on quality standards, multi-regional clinical trials, biotherapeutics, and global data standards conducted by relevant institutions.

### **Marine Debris**

Recognizing the health and environmental concerns created by the large and rapidly increasing amount of plastic litter in the ocean from land-based sources and an insufficient waste management system which is not attracting the attention of investors, we endorse the Policy and Practice Recommendations of the APEC High-Level Meeting on Overcoming Barriers to Financing Waste management Systems to Prevent Marine Litter in the Asia Pacific Region.

### **Blue Economy**

We value the outcomes of the 4th APEC Blue Economy Forum and encourage economies to enhance the Forum as a vehicle of regional blue economy cooperation. We encourage the APEC Marine Sustainable Development Center to take stock of regional blue economy cooperation and through the Ocean and Fisheries Working Group (OFWG) facilitate the update of the APEC Marine Sustainable Development Report to promote regional marine sustainable development, as an important APEC contribution to the 2030 Agenda for Sustainable Development.

We welcome efforts to strengthen our work in addressing and mainstreaming cross-cutting issues of ocean cooperation amongst relevant APEC fora.

### **Emergency Preparedness**

As we continue to experience the economic devastation brought by disasters in our vulnerable region, we recommit our efforts to ensure our communities, businesses, and economies are prepared to recover as quickly as possible. We endorse the APEC Principles for Early Warning Systems and welcome the APEC Disaster Risk Reduction Framework Action Plan. We further encourage economies to implement the Seven Principles of Supply Chain Resilience, especially business continuity planning. We also encourage capacity building, strengthening early warning systems, and search and rescue cooperation for the resilience and livelihood of communities.

### **Industry Dialogues**

We encourage economies to utilize the Chemical Dialogue's best practice principles checklist during the regulatory process. We welcome the report and recommendations on reducing divergences in implementation of the Globally Harmonized System of Classification and Labelling of Chemicals and instruct officials to report on



implementation of those recommendations in 2017. We welcome efforts to streamline import certification procedures for chemicals and improve predictability and transparency.

## **ECONOMIC AND TECHNICAL COOPERATION**

We remain committed to the Manila Framework on ECOTECH, and will continue to leverage ECOTECH activities to help developing economies achieve the Bogor Goals by 2020. We welcome the decision to approach capacity-building activities with strategic foresight by undertaking multi-year projects, including support for APEC's work to strengthen and deepen regional economic integration and to facilitate the realization of the FTAAP.

We also welcome contributions by members to the APEC Support Fund. We note with appreciation the full operation of Sub-Funds on the FTAAP/GVC, IERG, and Connectivity. We recognize the important work of the budget and management committee (BMC), through its small Working Group, and exchanges with SCE on pending issues to implement the APEC Capacity Building Policy to better support APEC economies. We look forward to the respective recommendations to be presented by 2017. We highlight the importance and appreciate the contribution of capacity building efforts for developing economies, and call for more contributions in this regard.

### **Science, Technology and Innovation**

We recognize that Research and Innovation is a key driver of quality growth and human development. We encourage endeavors to use Science, Technology and Innovation, as well as STEM education, to face challenges and create opportunities in our region. We also support Research and Innovation Policy Dialogues to exchange best practices and information and to formulate science and technology policy recommendations.

We congratulate the results of the 2016 APEC Science Prize for Innovation, Research and Education (ASPIRE Prize) under the theme "Technologies for Food Security", and encourage cross-border research by young scientists in the Asia-Pacific region.

We acknowledge the Guidelines on the Establishment, Management and Review of Endorsed APEC Centers, endorsed by PPSTI, to encourage specialized bodies to bring further valued resources and expertise to science, technology and innovation in the region.

We welcome the progress of the APEC Chief Science Advisors and Equivalent (CSAE) group in formulating recommendations for science advice on emergencies, as requested in the 2015 APEC Leaders' Declaration. We note the CSAE recommendations on developing human capital by investing in scientists who have a role in risk management and climate change, and the contribution of science advice to assist APEC economies to achieve the SDGs.

We highlight the further cooperation between PPSTI and ABAC on a vast range of topics, including enhancing policy support to start-up incubators and accelerators, and specific projects to better engage private sectors in STI activities.

### **Forestry and Wildlife**

We reaffirm APEC's commitment to the 2020 aspirational goal to increase forest cover by at least 20 million hectares and we remain committed to promote sustainable forest management, conservation and rehabilitation of forests. We note this APEC aspirational goal contributes to the role of forests in achieving the SDGs, and we invite economies to consider progress towards achieving the 2020 aspirational goal.

We reaffirm APEC's commitment to take concrete steps to fight against illegal logging and associated trade in the region and efforts to facilitate law enforcement cooperation within and among APEC economies. In addition, we note the importance of increasing trade in legally harvested forest products.

We look forward to further development in favor of trade in legally harvested forest products, and welcome member economies' endeavors to pursue measures to establish effective timber traceability systems, including through strengthened government capacity.

We remain committed to strengthening our efforts to combat illicit wildlife trafficking through the continued development and use of technologies, exchange of information and intelligence, best practices and enforcement responses to combat illicit trade, and reduce the supply of, transit in, and demand for illegally taken and / or traded wildlife.

## **Energy**

We reaffirm our commitment towards Leaders' aspirational goals to reduce aggregate energy intensity by 45 percent by 2035, to double the share of renewable energy in the APEC energy mix by 2030, and to achieve sustainable and resilient energy development within the Asia-Pacific. We commit to rationalizing and phasing out inefficient fossil fuel subsidies which encourage wasteful consumption, while still providing essential energy services. We express our appreciation to the economies that have volunteered to undergo a voluntary inefficient fossil fuel subsidy peer review in APEC and the G20, and we encourage more economies to participate in peer review.

We welcome the completion of the APEC Guideline for Quality Electric Power Infrastructure and Energy and Economic Competitiveness Report.

We recognize that sustainable development, energy access, energy resilience, and energy security are critical to the shared prosperity and future of the region.

We appreciate member economies' efforts to create favorable conditions for trade and investment to support a diversified, flexible, and integrated natural gas market in the APEC region.

We endeavor to achieve a more secure and safe energy infrastructure and reaffirm the vital importance of achieving and maintaining high levels of nuclear safety, security, and non-proliferation, worldwide.

## **Mining**

We welcome the strengthening of mining collaboration during 2016 and commend the initiatives commenced with the support of the APEC Mining Sub-fund, advancing the 10 Mining Policy Principles for sustainable and inclusive growth of the mining sector.

## **Anti-Corruption**

We reiterate our commitment to implement the Beijing Declaration on Fighting Corruption. In line with each economy's laws and policies, we are committed to denying

safe havens for corrupt officials and their proceeds of corruption. We commit to strengthen cooperation on repatriation or extradition, as appropriate. We will continue to implement the actions outlined in the APEC Course of Action on Fighting Corruption and Ensuring Transparency, Code of Conduct for Business, and Principles on the Prevention of Bribery and Enforcement of Anti-bribery Laws.

We are committed to further strengthen the APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies (ACT-NET) and drawing on the experiences of law enforcement by sharing best practices, and promoting cross-border cooperation, both formal and informal, to investigate and prosecute corruption and bribery cases.

We will commit to highlight the importance of best practices shared on the implementation of anti-corruption and anti-bribery compliance programs designed to prevent and detect bribery, considering incentives by member economies to encourage businesses to establish effective voluntary anti-corruption programs and support for our pathfinder dialogues on fighting corruption and illicit trade.

### **Counter-terrorism**

We encourage officials to continue implementing the APEC Consolidated Counter-Terrorism and Secure Trade Strategy and, in light of the threat that foreign terrorist fighter (FTF) travelers pose to the integrity of the region's transportation infrastructure, focus on the strategy's call for immigration and border officials to manage the flow of bona-fide international travelers in and out of economies. We recognize that advance passenger information and passenger name record (API/PNR) systems can mitigate the FTF travel threat, and we encourage APEC member economies to use these important tools that also facilitate legitimate travel by enabling authorities to process travelers at border crossings more quickly.

### **Disability issues**

We reaffirm our commitment to ensure that persons with disabilities enjoy meaningful, active and collaborative participation in the shared prosperity and advancement of the Asia-Pacific region. We value their creative potential and abilities as integral and contributing members of our society to enhance economic growth and are committed to advance equal opportunity of persons with disabilities for employment, leadership, and decision-making. Thus, we commit to implement measures including reasonable accommodation and enabling conditions to ensure equality of access to an inclusive quality education and professional and technical training, which lead to meaningful and sustainable employment opportunities. We recognize the efforts of the Group of Friends on Disability (GOFD) in actively promoting development that is inclusive of persons with disabilities. We encourage officials to take measures to promote the value of persons with disabilities as employees, investors and participants in economic development.

### **Transportation**

We acknowledge the important role the transport sector plays in the interchange of goods and people between economies. We support ongoing initiatives to promote a safe, secure, efficient, resilient, and innovative transport sector. In this regard, we appreciate the work of the APEC Port Service Network (APSN) to promote connectivity in the APEC ports and related industries. We welcome recent efforts to promote road safety initiatives including in relation to heavy vehicles, encourage regional integration

through promoting gateway port connectivity, promote the development of intelligent transport systems, help supply chains resume after natural disasters, build capacity amongst governments to leverage public-private partnership frameworks to expand transportation infrastructure, and support women's participation as workers in the growing Asia-Pacific transportation sector.

### **STRENGTHENING APEC AS AN INSTITUTION**

We welcome officials' continued efforts to strengthen the operational and institutional capabilities of the APEC Secretariat.

We recognize that the Policy Support Unit continues to be a valuable and integral part of APEC, advancing key initiatives this year, such as the Ease of Doing Business, the Bogor Goals reviews, SCFAP final assessment, as well as promoting our achievements outside of APEC. Recalling the decision we made in 2012 when extending the PSU mandate, we look forward to the mid-term review of the PSU and its outcomes in 2017. We call on APEC members and fora to support the PSU in the review process.

Recognizing the large number of APEC sub-fora, we welcome the ongoing discussions to streamline and right-size APEC groupings, improve accountability and communications on the part of sub-fora leaders, link project funding more closely with top APEC priorities, and enhance participation by the private sector. These actions will contribute to making APEC more relevant, effective, and accountable, and we commend further efforts towards these goals.

We endorse the 2016 Senior Officials' Chair report on APEC's activities, note the APEC Secretariat Executive Director Annual Report, endorse the CTI Annual Report to Ministers, and approve the 2017 Secretariat Account Budget and corresponding level of 2017 Members' Contributions.

We welcome preparations for APEC 2017 in Vietnam.

We recognize ABACs role in coordinating the four executive dialogues in Trade, Mining, Food and Finance this year, which provided important opportunities for Ministers and the private sector to engage on the issues.