

**24<sup>th</sup> Meeting of APEC Ministers Responsible for Trade Statement  
(Port Moresby, Papua New Guinea – 25<sup>th</sup> - 26<sup>th</sup> May 2018)**

1. We, the Asia Pacific Economic Cooperation (APEC) Ministers Responsible for Trade, met in Port Moresby, Papua New Guinea from 25<sup>th</sup> – 26<sup>th</sup> May 2018, under the Chairmanship of the Honourable Rimbink Pato, Minister for Foreign Affairs and Trade of Papua New Guinea.
2. We welcome the participation of the Director-General of the World Trade Organization (WTO), the 2018 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 Secretariat (PIFS) and the APEC Secretariat.
3. As a driver of economic growth and greater regional integration, through trade and investment liberalization and facilitation, APEC continues to contribute to job creation and the improvement of living standards in the Asia Pacific region. However, we recognize that the full benefits of trade have not reached all segments of our societies. The widening income gap, social inequality and the need to narrow the digital divide, as well as the increasing impact of environmental degradation pose great challenges for the region.
4. In view of the challenges and opportunities, we reiterate our pledge to uphold the role of APEC as an engine for sustainable economic growth and prosperity in the Asia Pacific region through an agenda, which will take into account the concerns of all stakeholders and lays the foundations for a shared future.
5. We welcome the APEC 2018 theme of “Harnessing Inclusive Opportunities, Embracing the Digital Future”, with three key priorities: Improving Connectivity, Deepening Regional Economic Integration; Promoting Sustainable and Inclusive Growth; and Strengthening Inclusive Growth through Structural Reform. We look forward to future work on Internet and Digital Economy and inclusion issues.

**Improving Connectivity and Deepening Regional Economic Integration**

*Progressing the Bogor Goals*

6. We reiterate our commitment to attaining the Bogor Goals of free and open trade and investment in the Asia-Pacific region. We note the progress on the 2018 review of the Bogor Goals, and instruct officials to complete the review by November 2018. We further encourage economies to conduct individual assessment and accelerate efforts towards progressing our collective efforts in achieving the Bogor Goals by 2020. However, we note more action is required to meet our commitment to achieve the Bogor Goals, and look to advance trade in the region in a free and fair manner. We also note the importance of non-discriminatory, and mutually advantageous trade and

investment frameworks. We urgently call for the removal of market-distorting subsidies and other types of support by governments and related entities.

#### *Beyond Bogor*

7. We reiterate our commitment to developing an ambitious post-2020 vision for APEC. We welcome the establishment of the APEC Vision Group (AVG), which held its first meeting this week in Port Moresby. We look forward to the development of a strategic and practical post-2020 vision that positions APEC to better address 21<sup>st</sup> Century challenges and opportunities.

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

8. We recommit to APEC's role to contribute towards the eventual realization of FTAAP as a concrete step toward greater regional economic integration. We encourage economies to make further progress in a comprehensive and systematic manner to develop and implement work programs consistent with the Lima Declaration on FTAAP to enhance APEC economies' ability to participate in high quality, comprehensive free trade agreements in the future. We also recognise work in advancing FTAAP through the Information Sharing Mechanism. We commend the ongoing work under the third phase of the Capacity Building Needs Initiative and other capacity building initiatives. We instruct officials to report on progress to our Leaders by the end of 2018.

#### *Internet and Digital Economy*

9. We recognize the importance of the Internet, Digital Economy, as well as E-commerce and Digital Trade. Driven by technology and innovation, they are changing the pace of global trade and fostering innovative and inclusive growth in the Asia Pacific region. We note the importance of capacity building, sharing best practices, facilitating mutual understanding by conducting case studies and promoting E-commerce and digital trade in the region, recognizing the need to address opportunities and challenges of developing member economies. In this regard, we are committed to promoting cooperation on harnessing the opportunities brought by the Internet and Digital Economy, while working together to bridge the digital divide. We also encourage economies to constructively engage and support discussions in international fora, including the WTO.
10. We welcome the convening of the SOM Policy Dialogue on the Digital Economy. We are committed to implement the APEC Roadmap on the Internet and Digital Economy and the APEC Cross Border E-commerce Facilitation Framework in a comprehensive manner. We urge Senior Officials to develop a coordinated mechanism to guide and monitor the implementation of the Roadmap to facilitate and progress work on the

Digital Economy, including capacity building and cross-fora collaboration, and instruct officials to report on progress in this area at the 2018 APEC Ministerial Meeting.

11. We note the ongoing work on E-commerce and digital trade and encourage economies to identify building blocks to facilitate digital trade to foster APEC's leadership on internet and digital economy issues.
12. We recognize the importance of the APEC Cross Border Privacy Rules, a voluntary mechanism whose participants seek to expand participation. We support enhanced cooperation in this area, including through promoting capacity building, as appropriate.
13. Along with the other elements of E-commerce and digital trade, we affirm the importance of cross-border information flows for trade. We will continue work on enabling the free flow of information and data for the development of Internet and Digital Economy, while respecting data privacy and applicable domestic laws and regulations. We support efforts in improving access to the internet and digital infrastructure.

#### *Environmental Goods and Services*

14. We note the progress made by economies in advancing the implementation of the commitment to reduce the applied tariff rates to five percent or less on the 54 products in APEC's List of Environmental Goods and strongly urge the remaining economies to fulfil their commitments to reduce tariffs as soon as possible.
15. We welcome the progress of implementing the Environmental Services Action Plan and encourage economies to identify key challenges and compile a set of recommended action agendas.

#### *Progressing Work on Connectivity*

16. We reaffirm our commitment to strengthen physical, institutional, and people-to-people connectivity by 2025, with the objective of achieving a seamless and comprehensively connected and integrated Asia-Pacific region through the APEC Connectivity Blueprint. We encourage economies to develop new initiatives to further progress the implementation of the Blueprint. We welcome economies' efforts to promote cooperation to advance collaboration, trade facilitation, connectivity, financing and people to people exchanges and new initiatives to achieve comprehensive regional connectivity, including the 2018 Case Studies on Addressing Connectivity Challenges in APEC economies.
17. We reaffirm the importance of quality infrastructure and development for sustainable economic growth and promoting them through adequate investment and

strengthened public-private partnerships. We welcome the progress of quality infrastructure initiatives including the Peer Review and Capacity Building on APEC Infrastructure Development and Investment, and upgrading the APEC Guidebook on Quality Infrastructure Development and Investment.

#### *Customs Procedures and Trade Facilitation*

18. Noting the importance of the WTO TFA, we welcome initiatives to implement the TFA, including work to address Category B and C commitments.
19. We encourage officials to continue implementing work programs aimed at reducing cross-border trade costs by promoting predictability, and reliability through addressing the chokepoints identified in APEC's Supply Chain Connectivity work. We welcome ongoing collaboration with the business community to jointly address barriers to cross-border supply chains, including green supply chains, and through simplified electronic processes at ports of entry.
20. We reaffirm the importance of the Asia Pacific Model E-Port Network (APMEN). In this respect, we welcome the progress of APMEN including its new membership this year. We encourage economies to enhance cooperation and capacity building in this area.

#### *Standards and Conformance*

21. We recognise the continued efforts to enhance good regulatory practices in the APEC region. We encourage economies to undertake initiatives in the areas of transparency, alignment of standards and conformity assessment systems as represented by the Voluntary Action Plan, as well as promoting good regulatory practices in the preparation, adoption and application of standards, technical regulations and conformity assessment procedures.
22. We welcome ongoing work on reducing the use of excessive and unnecessary export certification, and streamlining and simplifying export certification requirements for food products, such as the implementation by the interested economies of the APEC Model Wine Certificate and harmonisation of import maximum residue limits to build robust food safety systems in the region.

#### *Regulatory Coherence and Cooperation*

23. We recognise the importance of regulatory coherence and cooperation in regional economic integration as it relates to strengthening regional supply chains and production networks. We encourage economies to share successful practices that have been used to improve their regulatory frameworks and support innovative businesses, and cultivate open and competitive markets as well as formation of new technology markets. We call for closer cooperation between government and the private sector in developing regulatory and policy processes to create a conducive

environment for doing business, including exploring international cluster cooperation in the region. We urge further work under the APEC Regulatory Cooperation Advancement Mechanism.

#### *Investment*

24. We recognise the importance of investment as a key driver of economic growth. We welcome the development of the work plan for the Next Generation Trade and Investment Issues. We encourage economies to continue joint work through policy dialogues and investment-related capacity building including community engagement to communicate the benefits of investment.
25. We support ongoing work on investment promotion, facilitation and retention including on the Investment Facilitation Action Plan and other international investment principles and practices which improve the investment climate in the Asia Pacific region. We urge economies to advance efforts in promoting inclusive business and initiatives that encourage sustainable and inclusive growth in the region.

#### *Non-Tariff Measures (NTMs)*

26. We welcome the significant reduction of tariffs in most sectors in the APEC region. However, some NTMs undermine the efficient functioning of the global market and businesses ability to effectively compete in that market. We acknowledge the efforts made to address NTMs and encourage officials to continue work in this area including capacity building initiatives.
27. We call for intensified work on the implications and use of NTMs and for further efforts to develop policy alternatives that allow the achievement of legitimate objectives while minimizing negative effects on trade and investment and facilitating competition and innovation.
28. We encourage APEC's work on transparency. In that regard, we welcome the initiative on Promoting Transparency through the Improvement of Sanitary and Phytosanitary (SPS) Notifications and encourage economies to continue APEC's work on a set of recommendations to improve the quality and completeness of the WTO's SPS notifications by 2019.

#### *Services*

29. We recognize the importance of improving the competitiveness of the services sector to facilitate trade and investment and encourage the participation of MSMEs in this sector. We encourage economies to continue implementation of individual economy and APEC-wide actions to achieve the objectives of the APEC Services Competitiveness Roadmap.

30. We encourage the work on developing a set of Non-Binding Principles for Domestic Regulation of the Services Sector and the APEC Index on the Regulatory Environment of Services Trade for the ultimate goal of enhancing the regulatory environment of services trade in APEC economies.
31. We welcome the progress in implementing the Manufacturing-Related Services Action Plan and look forward to the completion of its interim review by the end of this year.
32. We welcome regular public-private dialogues to address fast moving issues in the services sector, including the role of E-commerce and digitally-traded goods and services. We encourage further collaboration between the public and private sectors in this regard.

#### *Intellectual Property Rights*

33. We continue to foster cooperation in the area of intellectual property (IP) rights, including protection and enforcement, as well as with respect to creative innovations in the digital economy. We welcome further capacity building, including across APEC sub-fora such as on border enforcement against trade mark infringing goods. We encourage economies to adopt IP policies and programs that cultivate, foster, support and advance innovation and creativity, including for MSMEs.

#### *Industry Dialogues*

34. We support work on developing principles for improving transparency and stakeholder consultations in the health and life sciences sector. We also support work on the development of an action plan for addressing barriers to health care services for populations, especially those affected by rare and preventable diseases. We will work towards the 2020 goal of regulatory convergence for medical product approvals.
35. We welcome the ongoing efforts to address and highlight the importance of issues surrounding industrial chemicals, such as regulatory cooperation and reducing divergence in the import requirements including classification and labelling. We also support the continued cross-fora work on marine debris.
36. We welcome recent efforts to promote electric vehicle use, production and trade, through the alignment of standards and regulatory approaches.

#### **Promoting Sustainable and Inclusive Growth**

37. We reaffirm our commitment to implementing the APEC Action Agenda on Advancing Economic, Financial and Social Inclusion, consistent with the 2030 Agenda for Sustainable Development. We acknowledge the important work related to rural

development and poverty alleviation. We encourage further activities to bridge the gap in economic development, including the integration of regional, sub-regional, rural and remote areas. We also note the ongoing work on sustainable and inclusive growth including but not limited to circular economy.

38. We note that inherent challenges and opportunities to promote inclusive and sustainable growth still exist and with the onset of new and emerging challenges such as the Digital Economy, we encourage a forward-looking approach to growth. In this regard, we note the role of human capital development in the digital age in fostering inclusive and sustainable growth.

#### *Women and the Economy*

39. We recognize the importance of women's contributions to economic growth. The expansion of the digital economy provides a vital pathway for women to increasingly participate in the global economy. Non-discriminatory access for women to entrepreneurship and education are among other priorities shared by APEC member economies to increase the potential of women to contribute to the economy and avail themselves of trade and investment opportunities. We also recognize the role that trade promotion organisations can play to assist women entrepreneurs with the skills to build export capacity.

#### *Enhancing Food Security*

40. We recognise that trade of food, agriculture, fisheries and aquaculture products plays a significant role in ensuring people's access to food. In this regard, we agree to strengthen cooperation to foster a transparent, predictable and business enabling environment for trade in agriculture, food and fisheries products between APEC economies. We encourage economies to support trade of agriculture and fisheries products by exchanging information on food supply and demand and using science-based regulations. We are committed to continue to promote food security in the region in line with the APEC Food Security Roadmap 2020 and other initiatives related to Food Security.

#### *Strengthening MSMEs' Competitiveness and Internationalisation in the Digital Age*

41. We reaffirm our commitment to implement the Boracay Action Agenda to Globalize MSMEs through initiatives that strengthen MSMEs' competitiveness and ability to participate in Global Value Chains (GVCs) and look forward to the stocktake and 2018 mid-term review by November. We support efforts to improve the capacity of MSMEs to operate in an environmentally conscious manner through the APEC Strategy for Green Sustainable and Innovative MSMEs.

42. We note the important contribution of technology and the digital economy in empowering MSMEs and hereby welcome the APEC App Challenge initiatives to support MSMEs to export and underscore the importance of removing barriers for more MSMEs to participate. We further note the work plan for developing a cooperative online dispute resolution framework for MSMEs. We support greater MSME capacity building and participation in E-commerce, including through the online-to-offline model.
43. We encourage efforts to create an enabling environment for MSMEs through strengthening of ethical business practices, facilitating start-ups and fostering innovation in the digital age.

#### *Global Value Chains*

44. We welcome the progress to develop an APEC Trade in Value Added (TiVA) Database, as mandated by the APEC Strategic Blueprint for Promoting Global Value Chain Development and Cooperation. The database will serve as an effective tool in understanding the impact of global production networks in economies and the development of policies to improve opportunities for businesses to participate in the global economy. We look forward to the completion of the APEC TiVA Database by the end of 2018 and integration with the WTO-OECD TiVA Database.
45. We welcome the progress in implementing the initiatives on MSMEs integration into services sector GVCs, including fashion design, tourism and logistic sectors. We further encourage efforts towards the implementation of all other work streams set forth in the Blueprint.

#### **Strengthening Inclusive Growth through Structural Reform**

46. We recognize that structural reform is critical to removing barriers that inhibit cross-border trade and investment, and behind-the-border barriers to doing business. When well-implemented it improves how markets function, fosters broader and deeper market participation, increases productivity and promotes inclusive growth. We strongly support APEC's work that promotes good regulatory practices, ease of doing business, public e-services, strengthening economic legal infrastructure and competition policy and corporate and public sector governance agendas, through the use of international instruments.
47. We welcome the upcoming High-Level Structural Reform Officials' Meeting with a view to giving strategic direction at the mid-point of the Renewed APEC Agenda for Structural Reform (RAASR) initiative. We therefore encourage economies to continue implementation of their Individual Action Plans to progress the RAASR.



48. We note the importance of further promoting the Regulatory Impact Analysis among APEC economies and look forward to the outcomes of the 11<sup>th</sup> Conference on Good Regulatory Practices scheduled for August 2018.

### **Strengthening Economic and Technical Cooperation**

49. We are determined to strengthen collective action in our push for sustainable, secure, balanced, inclusive and innovative growth in the APEC region. We call for continued efforts to enhance economic and technical cooperation (ECOTECH) with the ultimate objective of achieving the core pillars of trade and investment liberalization and business facilitation through capacity building activities.
50. We appreciate the voluntary and in-kind contributions made by APEC economies to the General Project Account and other sub funds. We encourage more untied funding for capacity building to help economies meet their APEC commitments. In that light, we encourage further efforts to promote cross-fora collaboration in our pursuit of regional economic integration.
51. We welcome the report of the Chair of the APEC Senior Officials' on the progress of APEC wide efforts since the beginning of the year.
52. We urge officials to continue their efforts toward meaningful deliverables for Leaders in Port Moresby in November 2018.