APEC JAPAN 2010

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1. Logo for APEC Japan 2010
2. Theme of APEC Japan 2010

**Change and Action**

During this period of significant change in the global political and economic order, APEC should build upon its past successes to propose necessary “changes” and execute concrete “actions” to ensure that it will continue to play an important and relevant role in the 21st Century.
3. Positioning of APEC Japan 2010

Basic Principles

● A framework established to connect East Asia and the Americas.
● Pursue economic integration and regional cooperation for sustainable development of the Asia-Pacific region.
● The sole framework for regional economic cooperation participated by the world’s three economic powers: Japan, the United States and China.

Features

● APEC activities are limited to the economic sphere.
● The Obama Administration places emphasis on APEC. The U.S. has ensured its active engagement in the Asia-Pacific economy.
● Close coordination with the business community. The APEC Business Advisory Council, established as a bridge between business and APEC Leaders, actively makes recommendations to the APEC Economic Leaders.
● Establishing an environment that facilitates business development in the Asia-Pacific region. (Note: Specific results include the implementation of the APEC Business Travel Card.)
4. APEC Member Economies (Total membership: 21 economies)

A total of 21 economies participate. A major feature is the concurrent participation of China; Hong Kong, China; & Chinese Taipei.
5. International Frameworks in the Asia-Pacific Region

- **APEC**
  - Hong Kong, China; Chinese Taipei; Mexico; Chile; Peru
  - United States, Canada, Russia, Papua New Guinea

- **ASEAN**
  - Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, Viet Nam
  - Japan, China, Republic of Korea
  - Australia, New Zealand

- **ASEAN+3**
  - Laos, Myanmar, Cambodia

- **EAS**
  - India
  - Pakistan, Mongolia

- **ARF**
  - North Korea

- **ASEM**
  - European Union
  - European Commission
6. Significance of APEC

◆ Dependence on intra-regional trade in each regional framework

- **ASEAN + 3**
  - Intra-regional trade: 43.1%, US$2,533.8 bil.
  - Extra-regional trade: 56.9%
  - Total: US$5,880.6 bil.

- **EAS member economies**
  - Intra-regional trade: 57.2%, US$2,840.3 bil.
  - Extra-regional trade: 42.8%
  - Total: US$6,639.7 bil.

- **APEC**
  - Intra-regional trade: 67.1%, US$8,469.5 bil.
  - Extra-regional trade: 32.9%
  - Total: US$12,613.3 bil.

- **NAFTA**
  - Extra-regional trade: 58.3%, US$1,824.1 bil.
  - Intra-regional trade: 41.7%
  - Total: US$4,373.8 bil.

- **EU**
  - Intra-regional trade: 34.2%
  - Extra-regional trade: 65.8%
  - Total: US$10,816.1 bil.

[Reference] Data in 2007
Economic Relations with APEC Region as Seen from Japan

**Exports from Japan**
- APEC Region: 75%

**Imports to Japan**
- APEC Region: 60%

**Direct Investment from Japan**
- APEC Region: 53.62%

**Japanese residents in foreign countries**
- APEC Region: 72.7%

(Data in 2008)
7. Structure of APEC

APEC Business Advisory Council (ABAC)

Leaders’ Meeting

Ministerial Meeting (MOFA / METI Ministers)

Senior Officials’ Meeting (SOM)

Sectoral Ministerial Meetings

★ Trade ★ Finance ★ Tourism
★ Ocean-related ★ Education
★ Transportation ★ Environment
★ Small & Medium Enterprises ★ Health
★ Human Resource Development ★ Regional Science & Technology Cooperation
★ Women’s Affairs ★ Energy ★ Mining
★ Telecommunications & Information ★ Food Security

Committee on Trade & Investment (CTI)

Market Access Group (MAG)
Sub-Committee on Customs Procedures (SCCP)
Sub-Committee on Standards & Conformance (SCSC)
Group on Services (GOS)
Government Procurement (GPEG)
Investment Experts Group (IEG)
Intellectual Property Rights (IPEG)
Business Mobility Group (BMG)
Electronic Commerce Steering Group (ECSG)
Automotive Dialogue
Chemical Dialogue
Life Sciences Innovation Forum (LSIF)

SOM Steering Committee on ECOTECH (SCE)

Working Groups (WGs)

★ Health (HWG)
★ Energy (EWG)
★ Small & Medium Enterprises (SMEWG)
★ Human Resource Development (HRDWG)
★ Telecommunications & Information (TELWG)
★ Tourism (TWG)
★ Transportation (TPTWG)
★ Industrial Science & Technology (ISTWG)
★ Agricultural Technical Cooperation (ATCWG)
★ Fisheries (FWG)
★ Marine Resources Conservation (MRCWG)
★ Emergency Preparedness (EPWG)

Counter-Terrorism Task Force (CTTF)
Anti-Corruption and Transparency Experts Task Force (ACT)
Gender Focal Point Network (GFPN)
Mining Taskforce (MTF)

Budget & Management Committee (BMC)
APEC Secretariat

Reports
Advice, Recommendations
Instructions
Reports

Economic Committee (EC)

Competition Policy & Law Group (CPLG)

Reports
Instructions
Reports

Scope of Work of Working Groups
8. Cooperation with Business Community

A B A C: APEC Business Advisory Council

- APEC’s official advisory body. Its establishment was decided at the Ministerial Meeting and the Economic Leaders’ Meeting held in Osaka in 1995.
- Its role is to monitor APEC activities and advise APEC about priority issues for the business community.

- Japanese members are as follows. They assume duty upon nomination by the Prime Minister.
  - Gempachiro Aihara: Counselor, Mitsui & Co., Ltd. (Chair of ABAC 2010)
  - Yoshihiro Watanabe: Advisor, Bank of Tokyo-Mitsubishi UFJ, Ltd.
  - Yasuo Morimoto: Senior Adviser, Toshiba Corporation

- Four general meetings are held every year and recommendations are submitted to the Economic Leaders. A dialogue is held once a year at the APEC Economic Leaders’ Meeting between the Leaders and ABAC members.
The business communities of 21 economies have formed an APEC-supporting network, ABAC (APEC Business Advisory Council).

Major production bases of and markets for Japanese companies exist in the Asia-Pacific region.

Helping to accelerate the establishment of a free business environment through APEC.

### Labor Mobility

**Business Community’s Interest:**
“Facilitating mobility of business people” (2009 “ABAC Report to APEC Economic Leaders”)

**Examples of Efforts by APEC**
- Since 1996: “APEC Business Travel Card” (ABTC) introduced
  - So far 18 economies have introduced (20 economies if including the U.S. and Canada where the ABTC can be used only for passenger clearance lanes)

**Advantages of ABTC:***
1. Exemption of short-term visa
2. Specialized lanes available

### Trade

**Business Community’s Interest:**
“Ensuring both trade liberalization/facilitation & security” (2009 “ABAC Report to APEC Economic Leaders”)

**Examples of Efforts by APEC**
- Since 2008: The “Authorized Economic Operator (AEO) system” promoted & spread for developing economies/regions (to simplify export/import declarations by trade-related AEOs)
- Japan already signed mutual recognition arrangements with the United States & New Zealand (study under way with Canada, Singapore, Malaysia, China & ROK)

### Knowledge and Technology Transfer

**Business’ Interest:** Promote innovation, and develop highly efficient patent application processes.

- 2008 ABAC Report to APEC Leaders

**Efforts in APEC: Example**
- Implementation of the APEC Cooperation Initiative on Patent Acquisition Procedures
  
  Assist APEC member economies’ patent offices with patent applications and improve their patent examination capacity.

### Capital Flow

**Business Community’s Interest:**
“Improvement of financial infrastructure,” “Facilitation of financing for SMEs” (2009 “ABAC Report to APEC Economic Leaders”)

**Examples of Efforts by APEC**
- Since 2008: In response to the financial crisis, the “Asia-Pacific Trade Insurance Network” has been expanded.
  (Export credit institutions give each other reinsurance coverage. Cooperation in human resource development also undertaken.)
  - Already joined by the U.S., Canada, Singapore, Malaysia, Indonesia & Thailand.
  - (To be negotiated with Mexico)

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(Reference) Business Community’s Interest & APEC’s Efforts
9. History of APEC

1989
- APEC launched (the first Ministerial Meeting held in Australia)

1993
- The first APEC Economic Leaders’ Meeting on Blake Island in the U.S. city of Seattle.
- Hereafter, APEC, as a framework for promoting regional economic integration and cooperation linking East Asia and the Americas, has played smoothly playing the role of encouraging trade and investment liberalization by adoption of the Bogor Goals in 1994 and the Osaka Action Agenda in 1995.

1998
- Attempts by the U.S. and other members to promote further voluntary liberalization leads to hurting mutual trust within APEC. And APEC fails to map out effective solutions to the Asian economic crisis triggered by the crash of the Thai baht. These developments cause APEC to temporarily lose momentum.

2001
- APEC strengthens efforts to ensure human security such as measures against terrorism and infectious disease from the viewpoint of building a safe business environment in the wake of the 9/11 terrorist attacks and the outbreak of avian influenza.
- Economic development in East Asia, including China, once again highlight the importance of APEC. In 2006, the U.S. broaches the idea of a Free Trade Area of the Asia-Pacific (FTAAP).

2008
- The need is stressed again for efforts to tackle global economic challenges such as trade and investment, APEC’s core agenda, in the wake of the world economic and financial crisis.
10. Major Results of Singapore APEC Economic Leaders’ Meeting

Theme: “Sustaining Growth, Connecting the Region”

● “Growth Strategy” became the most important theme in response to the global economic crisis.

● Confirmed the importance of the following points as a common perception in the APEC region.
  (1) “Inclusive Growth” based on the idea of giving greater priority to social aspects and ensuring the benefits of growth to be spread more widely.
  (2) “Sustainable Growth” taking into consideration environmental aspects including climate change and energy.

● Agreed to map out a more comprehensive Growth Strategy including “Inclusive Growth” and “Sustainable Growth” in order to further expand domestic demand and achieve balanced growth in the Asia-Pacific region. Its specific details are to be discussed during APEC Japan 2010.

● Agreed to discuss such issues as the early conclusion of the WTO Doha Development Agenda, resistance to trade protectionism and regional economic integration in connection with the strengthening of coordination in the Asia-Pacific region.
11. Significance of APEC Japan 2010

- 1994
  - Held in Indonesia

- 1995
  - Held in Japan

- 2008
  - Held in Peru

- 2009
  - Held in Singapore

- 2010
  - Held in Japan

- 2011
  - Held in the U.S.

- 2012
  - Held in Russia

- 2013
  - Held in Indonesia

- 2020

- Efforts to achieve the Bogor Goals
- Deadline for industrialized economies to achieve the Bogor Goals
- Review for APEC after 2010
- Deadline for developing economies to achieve the Bogor Goals

Bogor Declaration adopted
Osaka Action Agenda adopted
Points of Contention at APEC Japan 2010

- The theme of APEC Japan 2010:
  “Change and Action”

- The year 2010 is an important milestone for industrialized economies as it marks their deadline for the Bogor Goals (of achieving free and open trade and investment no later than 2010)

- Japan will display leadership as chair, bring forward transparent and credible work on the evaluation of achievements of the Bogor Goals, and wrap up discussions on the formulation of Growth Strategy.

- Japan will make all-out efforts, in partnership with the U.S., the chair of APEC 2011, to rebuild APEC and find its new values.
12. Schedule for APEC Japan 2010

- **APEC Japan 2010 Symposium** (Dec. 9-10, 2009, Tokyo)
- **Informal Senior Officials’ Meeting (ISOM)** (Dec. 11, 2009, Tokyo)
- **SOM I and Related Meetings** (Feb. 22-Mar. 7, Hiroshima City)
- **SOM II and Related Meetings** (May 24-Jun. 4, Sapporo City)
- **Meeting of Ministers Responsible for Trade** (Jun. 5-6, Sapporo City)
- **Energy Minister’s Meeting** (Jun. 19-20, Fukui City)
- **Growth Strategy High Level Policy Round Table** (Aug. 7-8, Beppu City)
- **SOM III and Related Meetings** (Sep. 15-26, Sendai City)
- **Tourism Ministerial Meeting** (Sep. 22-23, Nara City)
- **SME Ministerial Meeting** (Oct. 2-3, Gifu City)
- **Ministerial Meeting on Food Security** (Oct. 16-17, Niigata City)
- **Ministerial Meeting on Telecommunications and Information Industry** (Oct. 30-31, Nago City)
- **Finance Ministers’ Meeting** (Nov. 6, Kyoto City)
- **Concluding SOM** (Nov. 7-8, Yokohama City)
- **APEC Ministerial Meeting** (Nov. 10-11, Yokohama City)
- **APEC Economic Leaders’ Meeting** (Nov. 13-14, Yokohama City)
- **ABAC Meeting** (November, Yokohama City)
- **SME Summit** (November, Yokohama City)
- **CEO Summit** (November, Yokohama City)