



**JAPAN 2010**

**The 22<sup>nd</sup> APEC Ministerial Meeting**

**Yokohama, Japan**

**10-11 November 2010**

**Joint Statement**

1. We, the Asia-Pacific Economic Cooperation (APEC) Ministers, met on 10-11 November, in Yokohama, Japan. The meeting was co-chaired by H.E. Seiji Maehara, Minister for Foreign Affairs, Japan and H.E. Akihiro Ohata, Minister of Economy, Trade and Industry, Japan.
2. We welcomed the participation in the meeting of the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council, the Association of Southeast Asian Nations, and the APEC Secretariat as well as the Director-General of the World Trade Organization (WTO), Mr. Pascal Lamy.
3. Under the APEC 2010 theme of “Change and Action,” we reviewed the current state of affairs in the Asia-Pacific region, assessed the progress APEC has made this year, and discussed the way forward for APEC.

**The Global Economy**

4. It has been two years since the onset of the global financial crisis. Since then, efforts made by economies and the international community have brought the global economy back on the track toward recovery. The APEC region has been leading global economic growth in spite of the crisis and has actively contributed to overcoming it. The APEC region will continue to increase its importance in the global economy as a growth center. However, the crisis has yet to end. We are now facing challenges, in particular, of addressing volatility, creating employment and reconsolidating finance, and continuing to keep a balance between recovery and the exit strategies of fiscal and monetary policies.
5. At the same time, the scope of issues that APEC needs to address has also significantly expanded in the changing regional and global economic environment. We share the view that a reconsideration of our quality of growth is imperative in responding to the needs of the new era, and that APEC’s traditional agenda of regional economic integration (REI) also needs to be reinforced.

## **The Bogor Goals**

6. We discussed the outcomes of the Report on APEC's 2010 Economies' Progress Towards the Bogor Goals, which assessed the performance of 5 industrialized economies (Australia, Canada, Japan, New Zealand and the United States), as well as the group of developing member economies (Chile; Hong Kong, China; Korea; Malaysia; Mexico; Peru; Singapore and Chinese Taipei) toward the Bogor Goals of free and open trade and investment. We commended Senior Officials for their work in preparing the Report. We had an intensive discussion on economies' progress toward achieving the Bogor Goals and highlighted areas in which more work needs to be done. We endorsed the Report, and agreed to submit it to Leaders for their review and endorsement.
7. We endorsed APEC's 2010 Individual Action Plans. We instructed officials to explore in 2011 an appropriate process to review APEC economies' progress toward the Bogor Goals of free and open trade and investment.

## **Regional Economic Integration**

8. We reaffirmed that APEC's work on trade and investment liberalization and facilitation has been and will continue to be furthered by its REI agenda. Senior Officials updated us on their deliberations on the REI agenda, including on APEC's sectoral initiatives and their work to explore a range of possible pathways to a Free Trade Area of the Asia-Pacific (FTAAP). We reaffirmed the importance of sectoral initiatives in APEC's REI agenda. We endorsed the work undertaken by Senior Officials this year, and recommended that Leaders reaffirm their commitment to accelerate work on strengthening and deepening REI in order to best advance trade and investment liberalization and facilitation in the region.

### *Possible Pathways to Achieve Free Trade Area of the Asia-Pacific*

9. Leaders instructed us last year to explore a range of possible pathways to achieve an FTAAP by November 2010. In light of recent developments regarding the economic architecture in the Asia-Pacific region, such as those related to Regional Trade Agreements (RTAs) and Free Trade Agreements (FTAs), we affirmed that taking concrete steps toward realization of an FTAAP is an important part of the REI agenda. We commended the work of Senior Officials in this regard, and agreed to inform Leaders about the results of our discussions on this matter.

*Trade and Investment Liberalization and Facilitation*

10. We endorsed the 2010 Committee on Trade and Investment (CTI) Annual Report and its outcomes for 2010, and welcomed the various activities conducted by the Economic Committee (EC).
11. We instructed Senior Officials to further advance initiatives aimed at strengthening and deepening REI. We noted that the REI Capacity Building Needs Survey would serve us well in our effort to strengthen REI. We welcomed the voluntary financial contributions from Japan and the United States to the APEC Trade and Investment Liberalization and Facilitation (TILF) Fund, and encouraged wider contributions to the fund.

*- Investment*

12. We endorsed the formulation of the APEC Strategy for Investment, which consists of three pillars: Advanced Principles and Practices; Facilitation; and Promotion. We reaffirmed the importance of continuing to implement existing principles, in particular the APEC Non-binding Investment Principles and the Investment Transparency Standards, and encouraged further advancements based on these principles, including through cooperation with other international organizations. We also recognized the importance of enhancing communication between the private sector and policymakers, and endorsed the APEC Public-Private Dialogue on Investment. Moreover, we acknowledged the considerable progress made in implementing the Investment Facilitation Action Plan, developed in 2008, and its contribution to improvement of the regional investment environment.

*- Services*

13. We endorsed efforts to promote cross-border trade in services in new areas of interest, including legal services, accounting services, environmental services, health services, information and communication technology-related services, and ecotourism, as identified in the APEC Services Action Plan, while respecting the APEC Principles for Cross-border Trade in Services. Moreover, we welcomed officials' further work toward developing a database of regulatory requirements in the services sector on a voluntary basis. We also recognized the positive role of the services sector and the liberalization of services trade in inclusive growth and sustainable growth.

*- Standards, Conformity Assessment, and Technical Regulations*

14. We welcomed efforts to promote greater alignment on standards, labeling, and conformity

assessment procedures to support innovation, safety, security, and solutions to energy and environmental issues, including the promotion of energy efficiency and use of renewable energy. Initiatives that enable collaboration with international organizations, capacity building to increase testing proficiency, and information sharing are keys in this context. We also welcomed the establishment of the APEC Regulatory Cooperation Advancement Mechanism on Trade-Related Standards and Technical Regulations, which will promote upstream cooperation among regulators and trade officials on emerging regulatory issues in order to prevent unnecessary technical barriers to trade. Given the importance of good regulatory practices to address the critical health, safety and environmental challenges of the 21<sup>st</sup> century, we instructed officials to undertake work to improve their use, including by updating and consolidating related existing APEC instruments in 2011. On product safety, we recognized the important work initiated in other bodies to better align toy safety standards as a result of the APEC Toy Safety Initiative, and encouraged perseverance in the difficult technical work ahead.

*- Trade Facilitation*

15. We welcomed the progress made in implementing the Second Trade Facilitation Action Plan (TFAP II), and look forward to the final assessment of the TFAP II outcomes in 2011. Moreover, we stressed the importance of efforts to enhance regional connectivity and promote trade facilitation and welcomed the following activities undertaken in 2010.

*(Supply-Chain Connectivity)*

16. Supply-chain connectivity is an important element in strengthening REI. In order to improve the flow of goods, services, and business travelers within the region, we endorsed the APEC Supply-Chain Connectivity Framework Action Plan, which prescribes concrete measures to address eight priority chokepoints. We committed to implement the Action Plan with a view to achieving an APEC-wide target of a ten percent improvement by 2015 in supply-chain performance, in terms of reduction of time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, taking into consideration individual economy's circumstances. We also endorsed the APEC Guidelines for Advance Rulings as a critical step to increase the certainty and predictability of moving goods throughout the region. We instructed officials to conduct capacity-building to further enhance the ability of economies to implement the various types of advance rulings. We also called on officials to continue the work for promoting the establishment of a Single Window system in each economy and increasing international interoperability between the Single Window systems, for implementing the Supply-Chain Visibility Initiative, which aims to establish a

global information network for sharing cargo status data based on interoperable standards, as well as for building and promoting transport infrastructure.

*(Authorized Economic Operator Programmes)*

17. Recognizing the importance of realizing trade facilitation and trade security in an upgraded manner, we commended the progress made on the Authorized Economic Operator (AEO) Action Plan, which aims to support the establishment of an AEO programme in each economy and to promote mutual recognition arrangements of the AEO programmes. In this connection, we welcomed the APEC AEO Compendium as the initial deliverable under the AEO Action Plan as well as the creation of a new Collective Action Plan on AEO. We instructed officials to develop APEC AEO Best Practices based on the Compendium by the APEC Ministerial Meeting (AMM) next year.

*(Trade Recovery)*

18. We re-affirmed our support of the findings and recommendations of the APEC Trade Recovery Programme (TRP) Pilot Exercise. We further appreciated officials' work on the TRP action items, including the development of a TRP Compendium of Customs Contact Points and Customs instruments that APEC economies have signed to facilitate information exchange, and welcomed the continued efforts by officials to develop a template for information exchange for TRP.

*(Facilitating Movement of Persons)*

19. The smooth movement of business people plays an important role in the vitality of business within the region. We welcomed Russia's participation in the APEC Business Travel Card (ABTC) scheme as a transitional member, and commended all economies' participation in the ABTC scheme. We also welcomed efforts made toward enhancing the scheme. In addition, we welcomed measures undertaken to facilitate the movement of business people, including capacity-building and information sharing of legal services providers, and the formulation of the APEC Strategy on Movement of Business People.

*(Simplifying Rules of Origin Documentation and Procedures)*

20. Making rules of origin (ROOs) more business-friendly by cutting compliance costs helps promote the use of high-quality RTAs and FTAs. We welcomed the work accomplished this year, including capacity-building, to assist economies in adopting self-certification of origin approaches in their RTAs/FTAs, and instructed officials to continue to develop capacity-building projects to support wider participation in the APEC Self-Certification of

Origin pathfinder.

*(Improving Transparency to Facilitate Trade)*

21. Enhancing transparency on RTAs/FTAs information is an essential step for business to be able to take advantage of the benefits of RTAs/FTAs. We welcomed the completion of the APEC Website on Tariffs and ROOs (WebTR) as a gateway portal website which provides links to information on tariffs and ROOs of APEC economies. We will continue to provide updated information on tariffs and ROOs to business through the APEC WebTR.

*(Cooperation among Customs Administrations)*

22. We reaffirmed the importance of responding to the changing environment surrounding customs administrations. In this regard, we commended that the APEC Customs Directors-General/Commissioners Meeting, held in September in Tokyo, Japan, identified eight priority actions that APEC Customs administrations should promote in cooperation with the World Customs Organization and Multilateral Development Banks.

*- Ease of Doing Business*

23. We reaffirmed our economies' collective commitment to improving the business environment in the region. We welcomed the successful completion of seminars/workshops in all five of the priority areas – “Starting a Business”, “Getting Credit”, “Enforcing Contracts”, “Dealing with Permits”, and “Trading Across Borders”, which constitute Phase 1 programmes of the multi-year Action Plan. We have embarked on the programs for Phase 2 with diagnostics to identify concrete actions which improve the business environments of participating economies. We will undertake additional Phase 2 programmes to progress toward the aspirational APEC-wide target of making it 25 percent cheaper, faster, and easier to do business by 2015, and to achieve a 5 percent improvement by 2011.

*- Strengthening Intellectual Property Rights*

24. We reaffirmed our commitment to strengthen the protection and enforcement of intellectual property rights (IPR) and reiterated the importance of comprehensive and balanced intellectual property systems that provide for and protect the incentives that encourage creativity and innovation and provide the tools for successful management and utilization of intellectual property. We welcomed the progress made in, and will strengthen efforts on, the initiatives concerning human resource development and cooperation on patent examination launched this year with a view to building a global intellectual property

infrastructure for promoting innovation. Noting the work done on reducing the proliferation of counterfeit and pirated goods through cooperative efforts such as the APEC Anti-Counterfeiting and Piracy Initiative, we encouraged economies to further their efforts in this regard. We reaffirmed our commitment to enhance cooperation with regard to the border enforcement of IPR among customs administrations as well as between these administrations and rights holders. We also encouraged officials to enhance cooperation between authorities and stakeholders to strengthen intellectual property enforcement by holding public-private dialogues.

*- Digital Economy*

25. We welcomed the continued work under the digital prosperity agenda, including discussion on innovation in information and communication technologies (ICTs) as a primary driver of economic growth in the region. Accordingly, we instructed officials to take forward this work in 2011 and more thoroughly examine ways, including policy and regulatory environments, that will best enable economies to support innovation, allowing them to access the type of ICTs that increase economic efficiencies and productivity, utilize smart ICT applications, and improve the livelihoods of the people of the APEC economies. We instruct officials to do additional work in this area. We welcomed APEC's goal of achieving access to next generation, high speed broadband by 2020, so as to advance the growth of knowledge-based economies in the APEC region. We welcomed the results of the Digital Prosperity Checklist Survey and the Digital Prosperity Mapping Exercise as providing further guidance on how APEC can best assist economies in promoting the development and use of ICTs.
  
26. We commenced operation of the APEC Cross-Border Privacy Enforcement Arrangement, which is the first mechanism in the APEC region for Privacy Enforcement Authorities to share information and provide assistance for cross-border data privacy enforcement. We endorsed two key documents dealing with the elements of the Cross-Border Privacy Rules (CBPRs) System, and will work to complete the remaining elements of the CBPRs in 2011 for implementation of the system.

*- Environmental Goods and Services*

27. We reaffirmed that Environmental Goods and Services (EGS) have a key role to play in fostering sustainable growth, advancing efforts to combat climate change and to protect the environment. We reiterated our support for increasing the utilization and dissemination of EGS, reducing barriers to trade and investment in EGS, and enhancing the capabilities of

economies to develop their EGS sectors. We commended achievements made on projects undertaken to implement the EGS Work Programme this year, which take advantage of APEC's strengths, including cross-fora collaboration among groups. We noted the findings from a mapping exercise of energy efficiency products to address non-tariff barriers which could arise through unnecessary divergences among APEC economies' energy efficiency standards, labeling and testing procedures. We also noted the development of capacity building activities. In particular, we welcomed the completion of the case studies on developing APEC economies' EGS markets, such as the study on Malaysia, and instructed officials to undertake additional case studies in 2011. Building on the achievement made this year, we instructed officials to take further concrete actions on EGS, prioritizing work related to addressing non-tariff measures on environmental goods, technology, and services. We will support progress on the EGS negotiations in the WTO DDA. We also welcomed the ongoing work on facilitating trade in remanufactured products, which saves natural resources and contributes to green growth, and instructed officials to take further steps in this regard in 2011. We recognize that joint research, development, deployment and transfer of technologies will be crucial in our shared efforts to address climate change.

## **APEC Leaders' Growth Strategy**

### *Formulation of the APEC Leaders' Growth Strategy*

28. In the aftermath of the global financial crisis, the global economic recovery remains weak. We believe it is time for us to share a growth strategy to sustain recovery and to lay the foundation for our future prosperity. APEC, as the world's leading growth center, is in a unique position to carry out such a task. In doing so, we will work together with other relevant international fora, including the G20. We will also work with ASEAN.
  
29. We commended the contribution of Senior Officials and relevant APEC fora to the formulation of the APEC Leaders' Growth Strategy, in response to the decisions made by Leaders in Singapore last year to put in place a comprehensive long-term growth strategy. We also welcomed the outcomes achieved by the relevant sectoral Ministerial Meetings as well as by the APEC Growth Strategy High-Level Policy Round Table in August in Beppu, Japan, which was held, further to the discussions among Senior Officials and Trade Ministers, for the first time in APEC's history to have a focused and comprehensive discussion about the Growth Strategy.

30. We discussed the draft Growth Strategy submitted by Senior Officials and welcomed its aims to achieve (i) balanced growth across and within our economies, (ii) inclusive growth to ensure the opportunity for all our citizens to participate, contribute to and benefit from economic growth, (iii) sustainable growth compatible with global efforts to protect the environment and transition to low-carbon and green economies, (iv) innovative growth to create an economic environment that promotes innovation, use of ICT products and services, and emerging economic sectors, (v) and secure growth to protect peoples' economic and physical well-being and to provide the secure environment necessary for economic activity. With a view to implementing the Growth Strategy, we welcomed development of the Action Plan with its follow-up mechanism to review progress, along with the critical integrated work elements: Structural Reform, Human Resource and Entrepreneurship Development, Green Growth, Knowledge-based Economy, and Human Security. Recognizing that this Growth Strategy will help achieve a higher quality of growth with a view to realizing sustained and enhanced prosperity in the region, we endorsed the draft and agreed to submit it to Leaders for their consideration and adoption.

#### *Structural Reform*

31. Structural Reform will play an integral role in the APEC Leaders' Growth Strategy, through the implementation of the APEC New Strategy for Structural Reform (ANSSR), which will advance Balanced and Inclusive Growth. Based on the significant progress of the Leaders' Agenda to Implement Structural Reform (LAISR), we should extend the range of the structural reform agenda in APEC. In this regard, we welcomed and endorsed the ANSSR, and instructed Senior Officials to actively promote, monitor, and review its implementation.
32. We endorsed the EC's 2010 APEC Economic Policy Report (AEPR), which focused on corporate governance. We welcomed EC's other report, which takes stock of progress in implementing the LAISR Forward Work Programme (FWP), as well as the progress made by economies in pursuing domestic structural reforms. We also welcomed the decision by EC to continue its horizontal approach to facilitate structural reform, as pursued under LAISR with the updated set of priority areas, including competition policy, corporate law and governance, ease of doing business, public sector governance, and regulatory reform.

#### **Human Security**

##### *Food Security*

33. Given the importance of food security in the region, we welcomed that the First Ministerial Meeting on Food Security was successfully held in October in Niigata, Japan with the participation of relevant international organizations. We supported the aim to improve regional and global food security through two shared goals: Sustainable Development of the Agricultural Sector; and Facilitation of Investment, Trade, and Markets. We welcomed endorsement of the APEC Action Plan on Food Security at the Ministerial Meeting, which includes concrete actions to be undertaken by APEC economies over the next five years. We look forward to an annual progress update on the implementation of the Action Plan from Senior Officials. We noted the need to ensure an appropriate mix of domestic production, international trade, stocks and safety nets for the poor reflecting levels of development and resource endowment.

#### *Food Safety*

34. We commended the Food Safety Cooperation Forum (FSCF) and its Partnership Training Institute Network (PTIN) for developing a roadmap of actions to improve the accessibility and use of international standards and best practices for food safety, and for initiating partnerships with the World Bank and other international organizations to implement these actions. We noted the considerable progress made in 2010 to strengthen food safety systems and to facilitate trade and investment through an ambitious program of capacity building activities, and urged further work to develop and improve localized and suitable food safety systems in 2011, including planned work to strengthen laboratory capacity and to reduce the negative impact of food safety incidents on public health and trade.

#### *Emergency Preparedness*

35. On a regional scale, effective disaster management cannot be realized unilaterally. APEC, through its strong networks with the business sector, has a comparative advantage in encouraging greater private sector participation in emergency preparedness and risk reduction. We commended the elevation of the Task Force on Emergency Preparedness to a permanent Emergency Preparedness Working Group, with the renewed mandate on strengthening business and community resilience, enhancing public-private partnerships, and reducing emergencies and natural disaster risks. We reaffirmed the Group's continued importance in protecting business, trade and economic growth, as well as communities, from disruption caused by disasters. We will further develop practical disaster risk management and research mechanisms to better prepare our economies for natural disasters.

### *Countering Terrorism and Securing Trade*

36. Protecting the region's economic systems from attack, disruption, and misuse by terrorists is an important component of a safer business environment. We are committed to mitigating such threats without compromising legitimate economic activity, in cooperation with relevant multilateral organizations, the private sector and civil society. We welcomed APEC's ongoing efforts to assist economies to ensure land, maritime, and aviation security; combat the financing of terrorism; enhance cyber security; and protect the region's food supply from attacks. In light of the recent terrorist attempt against international air cargo, we especially commended APEC activities this year to enhance the security of civil aviation and urged further efforts to protect air cargo and air passenger travel in the region. On all of these issues, we recognized the important role of effective capacity building programs which help develop institutions and mobilize expertise and resources efficiently. We welcomed the extension of the mandate of the Counter-Terrorism Task Force that plays an important role in ensuring human security and secure growth. We also encouraged enhanced cooperation among relevant APEC sub-fora.

### *Anti-Corruption and Transparency*

37. Corruption is a serious threat to prosperity and development in the region. We agreed to leverage collective action to combat corruption and illicit trade by promoting clean government, fostering market integrity, and strengthening relevant judicial and law enforcement systems. We agreed to deepen our cooperation, especially in regard to discussions on achieving more durable and balanced global growth, increasing capacity building activities in key areas such as combating corruption and bribery, denying safe haven to corrupt officials, strengthening asset recovery efforts, and enhancing transparency in both public and private sectors. We welcomed the efforts of the Anti-Corruption and Transparency Experts' Task Force (ACT) to partner with other APEC sub-fora and the business community to fight corruption. We agreed to enhance our efforts to improve transparency and eliminate corruption, including through regular reporting via ACT, and other relevant fora on economies' progress in meeting APEC Leaders' commitments on anti-corruption and transparency. These commitments include the APEC Transparency Principles, Santiago Commitment to Fight Corruption and Ensure Transparency, APEC Anti-Corruption Code of Conduct for Business, Conduct Principles for Public Officials, and Complementary Anti-Corruption Principles for the Public and Private Sectors.

38. We encourage member economies, where applicable, to ratify the UN Convention against

Corruption and UN Convention against Transnational Organized Crime and to take measures to implement their provisions, in accordance with economies' legal frameworks to dismantle corrupt and illicit networks across the Asia Pacific region.

#### *Ensuring Health*

39. We welcomed efforts by the Health Working Group (HWG) to improve the capacity of APEC economies to respond to emerging and re-emerging infectious diseases of pandemic potential, and to control non-communicable diseases. We also commended HWG's efforts to strengthen the health systems of economies through such means as improving health financing, human resources, and health information technologies which contribute to economic stability and sustainable economic growth.

### **Welcoming Sectoral Initiatives**

#### *Energy Security*

40. We will continue to make efforts to enhance regional energy security by strengthening cooperation toward stable supply and development of energy with due observance of international rules. We welcomed the "Fukui Declaration on Low Carbon Paths to Energy Security" at the Meeting of APEC Energy Ministers in June in Fukui, Japan, which reiterated the importance of more efficient use of energy and a cleaner energy supply, including renewable, nuclear and fossil fuels with carbon capture and storage. We welcomed the Energy Working Group's report on the energy efficiency progress and the prospect of far exceeding the aspirational target agreed upon by APEC Leaders in 2007 to reduce energy intensity by at least 25 percent by 2030. We expect each economy to take further efforts, including assessing the potential for further energy intensity improvement. We reaffirmed our commitment to the 2009 Leaders' Declaration to rationalize and phase out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services. We highly appreciated Japan's initiative in proposing the APEC Low-Carbon Model Town Project, aiming at the creation of low-carbon communities in urban development plans and sharing best practices, as well as its contribution to the relevant APEC Support Fund.

#### *Women's Empowerment*

41. We cannot achieve economic growth and prosperity without the full partnership and participation of women around the region. Enhancing women's economic opportunities

and entrepreneurship also spreads the benefits of growth more widely. In this regard, we welcomed the recommendations from the 8<sup>th</sup> Gender Focal Point Network Meeting, held in September in Ranzan, Japan. We welcomed the recommendations from the 15<sup>th</sup> APEC Women Leaders Network Meeting, held in September in Tokyo, Japan, consisting of three pillars: career development of women in organization, realization of women's entrepreneurship, and creating new economic opportunities for women. We commended APEC's first Women Entrepreneurship Summit, held in October in Gifu, Japan, which proposed measures to promote equal access to financial services and achieve appropriate work-life balance, and to maximize women's economic impact on economic growth. We welcomed the United States' willingness to host a new high-level policy dialogue in 2011 on women's economic opportunities within APEC. Such actions to support women entrepreneurs should be a key component in implementing the APEC Leaders' Growth Strategy. We will continue to make efforts to assist women's economic activities, including human resources development, in cooperation with small and medium enterprises.

#### *Human Resources Development*

42. We welcomed the APEC Human Resources Development Ministerial Meeting in September in Beijing, China, and the Ministers' determination to advance the APEC inclusive growth agenda through improved and innovative human resources development responses and policies. We noted the Ministers' recommendations that we should adopt employment-oriented macroeconomic policies, improve social safety nets, and prepare a competitive workforce to revitalize economic growth by enhancing capacity building, education, and training. In addition, we also welcomed and supported the Action Plan and the APEC Skills Development Promotion Project (2011-2014), which constitute a multi-year capacity building programme on inclusive growth.

#### *Tourism*

43. Tourism is of economic importance in the Asia-Pacific region, especially for creating jobs, reducing poverty, and conserving the environment. We welcomed the APEC Tourism Ministerial Meeting in September in Nara, Japan, held under the theme, "Tourism for New Strategic Growth in the Asia-Pacific region," which underlined the need for sustainable and balanced tourism for the region to grow. We welcomed the "Nara Declaration" to strengthen APEC tourism cooperation and the intensive discussions held among Tourism Ministers on tourism promotion and tourism-related investment.

#### *Small and Medium Enterprises*

44. Small and medium enterprises (SMEs) are a significant source of prosperity and employment, and a major contributor to innovation, and thus are a growth engine of the Asia-Pacific region. We welcomed the APEC SMEs Ministerial Meeting in October in Gifu, Japan, that stressed the importance of SMEs' participation in high-growth sectors and access to global markets. We also welcomed the "Gifu Initiative" as a concrete action package of APEC SME policies which will ensure SMEs' further growth and development. We also welcomed steps taken to improve SME's crisis management abilities and understanding of the ethical business practices needed to sustain participation in international trade, and look forward to the development of codes to improve better align industry practices across APEC economies. We also instructed officials to take steps to identify and address barriers that SMEs face in trading in the Asia-Pacific region. We agreed with the SME Ministers that these efforts should commence or be enhanced as soon as possible, based on the recognition that SMEs' continued growth and development is a key to realize the APEC Leaders' Growth Strategy.

#### *Fisheries and Marine Environmental Protection and Resources Management*

45. The oceans and their resources are essential to the livelihood and economic well-being of the people of the Asia-Pacific region and to food security in the region. We welcomed the commitment made by Ministers at the APEC Oceans-Related Ministerial Meeting in October in Paracas, Peru, to focus efforts on sustainably developing and conserving the marine environment, promoting free and open trade and investment in sustainably managed fisheries and aquaculture, addressing the adverse effect of climate change on oceans, and taking steps to ensure that fisheries and aquaculture will continue to be a secure source of food.
46. We welcomed the establishment of the "APEC Research and Training Center for Marine Biodiversity Conservation and Ecosystem Management" (APEC RTC-EBM) in China to address the capacity building needs in managing and understanding marine biodiversity. The establishment of the Center was endorsed at the above-mentioned Oceans-Related Ministerial Meeting.

#### *Information and Communication Technology*

47. ICTs are an engine for promoting new growth and enhancing socio-economic activities. ICT also brings transformative changes in the lives of many peoples in the Asia-Pacific region. As such, we welcomed Ministers' commitment at the APEC Ministerial Meeting

on the Telecommunications and Information Industry in October in Okinawa, Japan, to further develop broadband infrastructure and to strengthen the use of ICT in areas such as the environment, education, health care, and emergency management. We also welcomed the Ministers' commitment to enhance measures regarding, among others, deploying IPv6, promoting emerging services and technologies such as cloud computing, ensuring cyber security, eliminating the digital divide, and developing human resources.

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

48. We recognized that Economic and Technical Cooperation (ECOTECH) will continue to play a vital role in accelerating REI, in implementing the APEC Leaders' Growth Strategy, and in enhancing human security in the region, and endorsed the 2010 SOM Report on ECOTECH. We welcomed the Senior Officials' identification of APEC's medium-term ECOTECH priorities and formulation of the funding criteria for all APEC projects, in order to marshal APEC's resources toward achieving the outcomes most important to its members. We noted with appreciation the progress made in strengthening ECOTECH activities through a strategic, goal-oriented, and multi-year approach across the priority areas identified. We welcomed the work of Senior Officials to make APEC's sub-fora more responsive to overall APEC priorities and accountable in their operations, and encouraged Senior Officials to continue to go forward with steps including streamlining and reorganization aimed at improving APEC's delivery of ECOTECH support to economies. We also reaffirmed our commitment to the Manila Framework on ECOTECH, and noted that ECOTECH activities will continue to play an important role in assisting developing economies to achieve the Bogor Goals in 2020. We also welcomed the contributions made by members to the APEC Support Fund.
49. We will enhance work on meeting the aspirational goal in the Sydney Declaration of increasing forest cover in the region by at least 20 million hectares of all types of forests by 2020.
50. We also affirmed the contribution made during the second phase of the APEC Digital Opportunity Centre Project (ADOC 2.0) in reducing digital divides and in promoting innovation in the region.

### **Engaging Stakeholders in APEC**

51. APEC is uniquely positioned to help address the challenges that the Asia-Pacific region faces by deepening public-private interactions with ABAC and other stakeholders. We welcomed the valuable inputs that ABAC provided this year on REI, the APEC Leaders' Growth Strategy, and human security.
52. We reaffirmed the critical roles of APEC's industry dialogues in bringing attention to practical and urgent issues and in proposing solutions to the challenges in the region. In this regard, we commended the endeavours that the Automotive Dialogue made this year, including its initiatives on green technologies, preferential ROOs, harmonization of technical regulations, and collaboration with other APEC fora. We endorsed the Chemical Strategic Framework for 2010-2012 developed by the Chemical Dialogue, and instructed officials to continue to work on best practices for sound chemicals management in the region. We also welcomed the valuable contributions of the Life Sciences Innovation Forum in identifying ways to take advantage of health innovations, enhancing the investment environment for the life sciences to drive growth, advancing regulatory harmonization, goals and target dates and addressing the challenges of the aging population, and of chronic, infectious and re-emerging diseases in the region. We welcomed the report of the High Level Policy Dialogue on Agricultural Biotechnology this year on conventional and bio-technological means to help the agricultural sector adapt to and mitigate the impacts of climate change
53. We welcomed the ABAC-Competition Policy and Law Group Joint Dialogue on procedural fairness in competition cases, which was the first collaboration between the competition authorities and the business communities, and recognized the importance of holding a dialogue with business communities in the future. We also welcomed the outcome of the first ACT-ABAC Roundtable Meeting on Fighting Corruption and Strengthening Market Integrity held in Sendai in September and encouraged further public-private partnerships in this field.

### **Strengthening APEC**

54. We recognize that the functions of the APEC Secretariat must be strengthened for it to continue to successfully support the activities of APEC beyond 2010. We welcome Singapore's contributions to the APEC Secretariat to strengthen the Secretariat's IT infrastructure to effectively support APEC's expanding work. We also welcome the contributions of the US-APEC Technical Assistance and Training Facility (TATF) to the

Secretariat's institutional strengthening.

55. We are encouraged by the Policy Support Unit's performance since it commenced operation in August 2008. In the last year, the Policy Support Unit (PSU) had continued to support the work of APEC in key initiatives like Bogor Goals and Supply Chain Connectivity. We are also pleased with the successful launch of StatsAPEC, APEC's statistics portal, which allows statistics relating to APEC economies to be easily available. We remained committed to support the PSU and agreed that the mandate of the PSU be extended for 3 years.
56. Keeping in mind the benefits of APEC membership as well as the need for efficiency to achieve results, we will continue to review the question of APEC new membership going forward.
57. We endorsed the 2010 Senior Officials' Meeting Report on APEC's work program, including the recommendations contained therein, noted the 2010 Annual Report of the APEC Secretariat Executive Director, and approved the 2011 APEC Budget and member contributions. We welcomed preparations for APEC 2011 in the United States.