

**APEC Ministerial Meeting
Vladivostok, September 5-6**

Joint Statement

ANNEX B

Towards Reliable Supply Chains

Reliable supply chains are crucial for maintaining sustainable development while contributing to economic, energy, food and environmental security in the region and in the world as a whole. In this regard, we reaffirm the importance of implementing the APEC Supply-Chain Connectivity Framework and the 2010 Yokohama Leaders' Declaration goals to achieve an APEC-wide ten percent improvement in supply-chain performance by 2015, in terms of reducing time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, taking into consideration individual economy's circumstances.

We reaffirm the need to take a more systematic approach to improve supply chain performance by identifying the policies to address each chokepoint, develop diagnostic reports to determine if economies have these policies in place, undertake capacity-building activities to provide targeted assistance to economies to implement these policies. We instruct officials to begin implementation of the systematic approach in 2012 based on developing the supply chain inventories and producing the diagnostic reports, so that targeted capacity-building can be undertaken in 2014.

We appreciate the work of the Policy Support Unit to develop the APEC Supply Chain Connectivity Self-Assessment Survey 2012 as part of the mid-term assessment for measuring APEC economies' progress towards the 10 percent targeted improvement in supply chain performance. We welcome the capacity-building initiative to increase economies' understanding of the benefits of commercially useful de minimis values to facilitate trade in low-value shipments and to expand the APEC Pathfinder to Enhance Supply Chain Connectivity by Establishing a Baseline De Minimis Value. We note the important work dedicated to implementation of Electronic Certificates of Origin (ECO) in cross border trade in the APEC region.

Global economic challenges along with natural and anthropogenic disasters underscore our vulnerability and the importance of supply chain connectivity and APEC economies' efforts to build reliable supply chains. Thus we appreciate the discussion on establishing reliable supply chains in 2012 and welcome the results of the APEC Special Transportation Ministerial Meeting held in August 2012 in St. Petersburg, Russia together with the 7th APEC Transportation Ministerial Meeting held in September 2011 in San Francisco, USA, which made a significant contribution to the discussion of existing issues and future areas of development of the transportation dialogue among the economies of the region.

To improve supply chain connectivity, protect the interests of the business community and consumers, enhance the speed and quality of delivery of goods, as well as to guarantee transparency and opportunities for control over bulk cargoes, increase the ability to track dangerous goods and hazardous materials, supply chains should be considered as a single modern network equipped with smart technologies, including Intelligent Transportation Systems (ITS), Global Navigation Satellite Systems (GNSS)-based monitoring systems, radio frequency identification (RFID)-based automated cargo identification systems, and automated transport management logistic services.

In this regard, it is important to hold consultations with all stakeholders on possible ways of improving the technological aspects of supply chains, which include finding ways of wider implementation of next-generation technologies into supply chains, equipping major transportation hubs, intermodal systems, logistics channels in the Asia-Pacific with ITS and GNSS systems, increasing interaction between space agencies of participating economies in order to intensify the information exchange, mainly with the data obtained from different types of satellite systems, for supply chains security and safety; improving coordination of efforts in transport flows management and logistic information service networks and ITS implementation including through harmonizing container and cargo identifications systems; and developing common approaches in early warning technologies in the case

of emergencies in cross-border transportation of dangerous cargoes. We also emphasize the need to design capacity building programs for member economies in improving and implementing advanced technologies for the supply chain reliability.

With the aim of supporting the growing trade of APEC economies and the substantial economic benefits from lowering transportation and trade transaction costs, as well as enhancing supply chain efficiency and security, and creating better business environment, we will together with industry and relevant stakeholders analyze possibilities for diversification of transportation and supply chain routes across all modes. Building an optimal structure for supply chain routes could become a key factor in strengthening regional economic integration and supporting higher rates of economic growth in the region.

We also support the efforts towards coordination of early warning systems in case of emergencies related to cross-border transportation. Recognizing the vulnerabilities of our economies to natural and anthropogenic disasters, we should take steps towards enhancing emergency preparedness, disaster resiliency, and fostering scientific and technical cooperation among the APEC economies, communities and businesses. In this regard, we support greater coordination and better connectivity in disaster management, identifying best practices for emergency early warning systems in cross-border transportation and developing cooperation among crisis management centers in the APEC economies.

We recognize the collective efforts from the APEC Small Medium Enterprises Working Group (SMEWG) and Emergency Preparedness Working Group (EPWG) with the proposed guidelines on promoting business continuity plans to strengthen the reliability of supply chains. The work to improve emergency preparedness and natural disaster resilience of SMEs is essential for establishing reliable supply chains and continuing to advance the initiatives on promoting disaster preemptive/responsive mechanisms to strengthen the reliability of supply chains in the APEC region.