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Implementing the APEC Structural Reform Action Plan

Role of the Committee on Trade and Investment

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^{*}This presentation and Alan Bowman's remarks are made in his personal capacity, and do not necessarily reflect the views of the CTI as a whole or of the Govenment of Canada.

Structure of this presentation

- Structural reform's contribution to the trade agenda
- 2) How APEC currently deals with Structural Reform
- CTI's current role on Structural Reform
- 4) Where do we go from here?

Structural Reform and the Trade Agenda

- The Asian Financial Crisis demonstrated that structural reform is key to preserving and enhancing trade relationships
- « Behind the border » issues are now well within the WTO's agenda. Recognition of the importance of issues such as competition policy and investment in Geneva.
- Structural reform agenda not new: 1999 Auckland Leaders' Declaration focused on strengthening markets though regulatory reform and enhanced competition.
- But what is Structural Reform? What does it comprise?
 Is there a core?

How APEC deals with Structural Reform

Multiplicity of Actors

- CTI and its sub-fora
- Economic Committee
- Finance Ministers' Process
- Working Groups

Very little coordination

CTI's Role (1)

- CTI: 10 sub-fora, 4 industry dialogues
- Structural Reform is a CTI priority
 - Friends of the Chair: Japan, Chile, China, Australia, New Zealand
- Two sub-fora are predominant
 - SELI
 - CPD
- Many successful events over last few years
 - APEC-OECD Regulatory Reform Initiative (CPD)
 - Competition policy capacity building (CPD, SELI)
 - International financing instruments (SELI)
 - Strengthening commercial laws (SELI)
 - Debt collection litigation/arbitration (SELI)

CTI's Role (2)

- CTI's work to date: an assessment:
 - Strengths
 - Strong focus on capacity building
 - Wide range of issues
 - Weaknesses
 - No overall focus: a series of ad hoc projects proposed by member economies
 - Except for the APEC/OECD checklist on regulatory reform, our work is not prescriptive: limited to training and information sharing.
 - No peer reviews
 - No clear definition of structural reform, making it difficult for CTI to see whether we are addresing all the issues we should.

Recommendations for APEC

- Adopt a definition of structural reform: what should it include?
 - Corporate and financial governance?
 - Regulatory reform?
 - Competition policy?
 - Strengthening economic legal infrastructure?
 - Investment policy?
 - Other issues? (Fiscal policy, rule of law, enforcement of property rights, anti-corruption, education, etc.)
- Is there a core? Are there priorities? Is there universality?
- Focus on where APEC can add value, build on its existing work.

Recommendations for APEC

- The Auckland definition of the « strengthening markets » agenda is a good start:
 - Corporate and public sector governance
 - Enhancing the role of competition
 - Improving the quality of regulation and the capacity of regulators
 - Reducing compliance costs and facititating business growth
 - Building a favourable regional and international environment for free and fair competition
- Let's add:
 - Strengthening Economic Legal Infrastructure
 - Investment policy?
 - Transparency and anti-corruption?

Recommendations for APEC

- Adopt clear priorities, objectives and focus
 - A short list of areas
 - Capacity building
 - Information sharing: best practices
 - Prescriptive solutions: adherence to international standards; development of APEC standards?
 - Benchmarking
 - Build our relationship with partner organizations and our peer review capacity
- Coordinate work and assign responsibilities
 - A steering group composed of representatives of the CTI, the EC, the Finance Ministers' Process
 - Clear objectives, results-oriented work plans