

ABAC Meeting in Manila, Philippines 1996 - List of Recommendations, 1996

I. Cross-Border Flows

1. APEC Business Visa and APEC Business Immigration Lanes.

ABAC recommends that the Economic Leaders endorse the introduction in 1996 of an APEC Business Visa designed to facilitate business-related travel and APEC Business Immigration Lanes in ports of entry. These will have the following features:

- The APEC Business Visa should have a minimum validity of five years and allow multiple entries of up to 60 days per entry. Expedited immigration processing for APEC Business Visa holders will be introduced at major ports of entry.

ABAC also recommends that the Economic Leaders endorse the improvement of the parameters for the issuance and extension of business residency visas between 1997 and 1999. Applications for new business residency permits should be processed within one month, and extension of business residency visas within one week, with automatic renewal for a period of up to three years.

2. APEC Central Registry for Trademarks and Patents.

ABAC asks the Economic Leaders to endorse the establishment of an APEC Central Registry for Trademarks and Patents.

Additionally, ABAC recommends that the Economic Leaders endorse the following:

- APEC should establish a program of comprehensive cooperation on intellectual property rights, which includes
 - a. regular exchanges of information on border enforcement and on internal measures to combat the sale and distribution of volatile material;
 - b. identification of member economies' resource needs to fully implement the Uruguay Round Agreement on Trade-Related Intellectual Property Rights or equivalent obligations; and
 - c. the provision of technical assistance and training where necessary.
- APEC economies should implement the Uruguay Round Agreement on Trade-Related Intellectual Property Rights by 2000, accompanied by credible enforcement and the conduct of public education and awareness campaigns.

3. Common professional standards for business-related service providers.

ABAC calls on the Economic Leaders to endorse the establishment by 1997 of a set of common professional standards for APEC-wide recognition, to be developed by appropriate professional accreditation bodies, and supported by any needed legislative measures. Towards this end, the Economic Leaders should identify in 1997 a set of common standards for business-related professional services that can attain immediate APEC-wide recognition.

4. Adherence to 100% implementation of the Bogor liberalization goals.

ABAC asks the Economic Leaders to reaffirm the spirit of the Bogor liberalization goals by fully implementing free and open trade and investment no later than 2010/2020, with each APEC economy voluntarily undertaking efforts to accelerate the process as rapidly as its structural conditions would allow.

5. Customs harmonization.

ABAC recommends that the Economic Leaders endorse the complete implementation of all customs facilitation, harmonization and standardization measures by 2000, and establish the following intermediate milestones:

- Adherence to the Harmonized Systems and the World Trade Organization Customs Valuation Agreement by the end of 1997.
- Standardization and simplification of customs documents and procedures by 1997.
- Full implementation of an APEC-wide electronic customs processing system by 2000. · Provision of technical training to economies that require assistance, ensuring that adequate resources are devoted to such programs.

6. Standards and conformance.

ABAC calls on the Economic Leaders to endorse the:

- Alignment of each member economy's standards in priority sectors with international standards.
- The adoption of mutual recognition agreements in priority areas by 1998 and
- The establishment of an internationally recognized Testing Authority.

7. Promoting sub regional growth areas.

ABAC asks the Economic Leaders to encourage the development of sub regional growth areas among APEC member economies.

II. Finance and investment

1. APEC Voluntary Investment Projects (AVIP).

ABAC recommends that the Economic Leaders establish APEC Voluntary Investment Projects (AVIP), under which economies can voluntarily apply a specific set of principles for enhanced investment protection to selected projects above and

beyond the protection provided for in the Non-Binding Investment Principles. The following are the elements of this proposal:

- APEC should establish voluntary investment principles that can be applied by host economies on a case-by-case basis to specific projects they believe will benefit from investment protection.
- In a manner consistent with their domestic laws, World Trade organization obligations and the principle of open regionalism, governments could declare particular projects or categories of projects as subject to these investment principles.
- An ABAC task force will consult with rating agencies, multilateral development banks and global financial institutions to specify: (a) a list of investment principles to be included, and (b) other matters related to implementation. By November 1997, APEC economies should be able to identify initial AVIP's as demonstration projects, which should be reviewed in November 1998.

2. Improving the policy environment for cross-border investment flows.

ABAC recommends that APEC economies consider the following to improve the general policy environment for cross-border investment flows:

- APEC should reinforce the Non-Binding Investment Principles by clarifying principles referring to transparency, non-discrimination, investment incentives, performance requirements, and removal of barriers to capital exports.
- APEC economies should endeavor to commit to either the immediate implementation, or a timetable for implementation, of the Non-Binding Investment Principles as part of their economies' investment regimes, and to make a declaration to that effect during the Economic Leaders' meeting in Subic.
- APEC economies should conduct a self-assessment of their progress towards implementing the Non-including Investment Principles and report on the results of this assessment at least three months prior to the 1997 APEC meeting in Canada.
- The Economic Leaders should endorse a standstill date for investment measures.
- APEC economies should accelerate the implementation of commitments under the General Agreement of Trade in Services and the Agreement of Trade-Related Investment Measures, with due allowance for the conditions of development and preparedness of their individual economies.
- APEC economies should establish "one-stop" investment agencies based on existing regional best practices to facilitate foreign investment.
- APEC should develop a set of specific principles constituting a multilateral understanding on the elimination of double taxation and removal of other tax barriers to cross-border trade and investment.
- APEC economies should limit the use of unilateral sanctions in connection with trade disputes and renounce the imposition of unilateral sanctions by an APEC member economy against any other member economy for non-trade purposes.

- The APEC Committee on Trade and Investment should update and augment the Guide to Investment Regimes of the APEC Member Economies on an annual basis and develop a data base and an information retrieval system harnessing electronic networks for this publication.

3. An Investors' Charter.

ABAC calls on private investors to act as good corporate citizens of their host economies by observing the laws and rules of their host contributing to their host society, promoting the expansion of employment and the development of human resources, and protecting the environment.

III. Infrastructure

1. Joint Public-Private Sector Infrastructure Roundtable.

ABAC proposes that each APEC economy wishing to attract foreign investment in infrastructure organize a Joint Infrastructure Roundtable in 1997 to identify and recommend corrections to remove impediments to business/private sector involvement in developing new infrastructure, disseminate regional best practices, and establish productive linkages between to meet particular infrastructure needs.

2. Developing guidelines for facilitating business/private sector participation in infrastructure.

ABAC proposes that the development of a set of transparent guidelines for governments to facilitate business/private sector participation and enhance risk immigration measures in infrastructure development projects be one of the agenda items in the Roundtable. On its part, ABAC proposes the following guidelines for consideration.

Investor economies should undertake the following actions:

- Intensify coordination between APEC economies and between export credit agencies of each economy to help finance infrastructure projects. Member economies should consider ways to promote coordination of their export and investment insurance policies.
- Cooperate with multilateral institutions to further enhance risk mitigation.
- Provide export and investment insurance adapted from successfully executed models used by Japan's Ministry of International Trade and Industry and the United States' Overseas private Investment Corporation as the basis for a carefully structured insurance system.

Host governments should do the following:

- Maintain a stable policy and macroeconomic environment and guarantee foreign exchange convertibility.
- Ensure that the project is in accordance with clearly defined domestic development plans and programs that enjoy strong administrative and political support and are underpinned by the principle of sustainable development.

- Ensure maximum flexibility in the use of public sector funds and coordination with private sector funding.
- Promote a competition-driven environment for private sector infrastructure projects and open and non-discriminatory access to infrastructure
- Secure appropriate and responsible risk allocation between the host government and private enterprises.
- Establish and harmonize domestic laws and regulations regarding private infrastructure projects to guarantee currency conversion, policy consistency in setting basic terms and conditions, and fulfillment of government obligations by pertinent authorities at all levels.
- Establish clear policies and well-defined means of coordination between government agencies.
- Expedite procedures for approving privately financed infrastructure projects.
- Promote business participation in APEC Voluntary Investment projects as models for private sector participation in infrastructure projects.

Multilateral agencies should play the following roles:

- Provide technical and legal assistance to governments in developing fair and competitive bidding procedures.
- Review contracts for fairness and transparency both for the host economy and the project sponsor.
- Provide mediation services and identify mutually satisfactory solutions to help resolve issues between host governments and investors that could lead to disputes.

3. Areas where the business/private sector could invest.

ABAC recommends that the Roundtables consider the following areas and possibilities for promoting private sector participation in infrastructure development:

- · Water, sewerage and environment. Governments must find ways to fund the balance when the full charge cannot be passed on to the consumers.
- · Public housing. Governments could provide tax credits to private developers of low-cost housing; allocate land for community and public housing uses by grant, at zero or nominal rent; provide financial assistance for rentals to families on a monthly basis, to be reduced over time, or long-term low interest loans to promote home ownership.
- · Energy, power, pipelines, transmission, media and telecommunications. Governments can lock in long-term (typically 30 years) pre-agreed rates with the developer and, in the case of electricity generation and telecommunications, coordinate projects with the development of a rational, cross-border transmission network to meet demand.
- · Transportation, roads and mass transport. Governments can attract private investors to these sectors by
 - a. acquiring the right of way and clearing land for developers (which require strong public domain laws);
 - b. offering non-discriminatory tax holidays;
 - c. granting additional land to developers at or below market price as an additional source of repayment for the project;

- d. providing grants or low-interest long-term loans to projects; or
- e. offering minimum traffic guarantees or shadow toll rate structures.

IV. Small and medium enterprises and human resources development

1. The APEC Network for SME's.

ABAC calls on the Economic Leaders to endorse the establishment by September 1997 of an APEC Network for SME's, to function as a networks in each economy, linked electronically at the regional level through the APEC Center for Technology Exchange and Training for Small and Medium Enterprises (ACTETSME), with the purpose of pursuing action programs and promoting policy initiatives in areas that are crucial to the development of SME's at the domestic and regional levels.

It shall pursue an initial action program that focuses on four keys areas: human resources development, access to credit and capital, and access to market opportunities. ABAC also asks the Economic Leaders to direct appropriate government agencies to undertake actions in support of the program. The following are the elements that ABAC proposes for the initial action program:

- Promotion of skills training. The Network should initiate and coordinate actions that will lead to the accelerated exchange and development of skills and standards to support skills training within and across APEC economies.
- Virtual SME University Project. The Network should use the existing network of ACTETSME to develop an APEC-wide Virtual SME University. This virtual university, employing distance learning technology and the actual exchange of students and trainers, can deliver both pedagogic and/or actual training on technical and management skills to SME's. This system can harness the centers of excellence on SME sector-specific technical skills and management training both in and outside APEC, facilitating the linking of supply and demand for training within the region. This visual SME university should also address the training concerns of young entrepreneurs and women.
- The SME Page. The Network should create an SME Page as part of the ACTETSME Home Page that can be "hot-linked" to domestic entry points. This SME Page will be used by the Network to tap, link and coordinate information network sources presently existing in APEC to harness information technology. It should provide SME's information on human resources development focal points in each economy, policies and programs, managerial tools, best practices, non-tariff barriers, credit programs, quality management practices and standards, and electronic partnering opportunities for SME's.
- Partnership and collaboration approach to technology transfer. Pairings of large companies with small companies using this approach can benefit SME's through technical cooperation, secondment of administrative personnel in coaching roles and sponsorship of SME's' membership in trade and industry associations. The network should initiate and coordinate actions to promote policies that encourage such mentoring relationships between large business and SME's. It should also initiate such projects within and across economies.
- Expansion of APEC-wide networking opportunities for SME's. The Network should facilitate and promote networking for a among SME's in the region.

2. SME financing.

ABAC recommends that the:

- Economic Leaders hold initial Roundtables in their respective economies to bring together all relevant government agencies, banks, venture capital and credit facilities, associations and SME representatives to address the growth and export financing needs of SME's, with the recommendations from the Roundtables reinforced by government policy.

3. SME statistical indicators.

ABAC recommends that the:

- Economic Leaders endorse the collection and reporting of data on SME statistical indicators by September 1997 to create a baseline from which targets for progress can be established.

V. Economic and technical cooperation

1. A new model of economic and technical cooperation.

ABAC recommends that the Economic Leaders launch a new model of economic and technical cooperation based on the following elements:

- Strategic focus in line with the "essential elements" agreed to in the Osaka Action Agenda. APEC should focus on the following four priority areas:
 1. infrastructure,
 2. small and medium enterprise development,
 3. human resources development and
 4. technology cooperation.
- ABAC recommends that APEC should identify initial initiatives where highly-visible results are achievable in the short term.
- Partnership between government and the business/private sector. ABAC recommends that APEC develop a regional framework for public-private sector partnership in economic and technical cooperation based on successful examples in individual economies. This requires a framework that attracts the business/private sector to provide resources and expertise through incentives that confer tangible benefits to business/private sector participants.
- The APEC Network for Economic and Technical Cooperation. ABAC recommends that the Economic Leaders agree on the establishments of the APEC Network for Economic and Technical Cooperation. This network should draw its members from government and business/private sector organizations throughout APEC. It should be managed by a board of directors from both sectors. It should finance itself through voluntary contributions from governments and the business/private sector. The Economic Leaders should assign an appropriate APEC body to work closely with governments, the business/private sector and academe to develop the network.

