

CLIENT ALERT

APEC Chairs Statements Released

Nov.26.2018

Captures Prevailing View among 21 Member Economies in areas of Practical, Immediate Importance to Companies

The Chair's Statements of the Asia Pacific Economic Cooperation (APEC) Economic Leaders Meeting (AELM) and APEC Ministerial Meeting (AMM) were released last week, after concluding on 18 November and 15 November respectively without consensus statements. Disagreements were primarily between the United States and China and revolved around a narrow set of issues, notably how the multilateral trading system should be characterized, with the United States pressing for reform and others advocating that the institution be strengthened. These differing views will continue to play front and center in multilateral settings, most immediately the G20 Summit on 30 November – 1 December in Buenos Aires.

Due to these differing views, there is growing recognition that trade liberalizing platforms such as APEC are now more important than ever. APEC brings together 21 economies that collectively represent 3 billion consumers, half of global trade and 60 percent of global GDP. U.S. Vice President Pence remarked in his speech at the APEC CEO summit that President Trump sent him there to demonstrate the United States' "continued commitment to APEC and its mission of promoting open markets, free, fair and reciprocal trade." To support continued U.S. engagement in APEC, Vice President Pence announced a five-year technical assistance program with an initial tranche of \$9 million in U.S. funding to build capacity in APEC economies to adopt policies that promote fair trade, open markets for U.S. business, and increase economic growth.

Indeed, the Chair's Statements of the AELM and AMM that were released a few days later captured the prevailing view among all 21 APEC member economies in a number of areas of practical and immediate importance to companies. The statements included important commitments to spur innovation in the digital economy, promote health trade, and drive regulatory coherence and convergence in the region, among other areas. Notable highlights include:

Health

- **Reaffirming APEC's goal to advance convergence on regulatory approval procedures for medical products. APEC Ministers also welcomed the identification of performance indicators and their being tracked across all 21 member economies.**
- **Supporting work on developing alternative financing mechanisms** to support greater access to health care in the region through collaboration with all relevant stakeholders **and principles for improving transparency and stakeholder consultations** in the health and life sciences sector.
- **Calling on third parties to implement ethical business practices** as part of the APEC Business Ethics for Small and Medium Enterprises Initiative. The initiative raises the ethical business practices of third party intermediaries like distributors, wholesalers and sales agents, including through APEC guidance. The initiative also resulted in the signing of three landmark business ethics agreements this year, within Australia, China, and Japan's health system.

Digital

- **Endorsing the APEC Action Agenda for the Digital Economy and reaffirming implementation of the APEC Cross Border E-Commerce Facilitation Framework, including a call to encourage economies to identify and reduce unjustified barriers to e-commerce and digital trade; an instruction to officials to finalize the building blocks to facilitate digital trade; an instruction to officials to advance studies to better understand the digital economy, including the state of data; and a survey on e-commerce regulations in APEC to improve regulatory transparency.**
- **Recognizing progress to expand participation in the APEC Cross Border Privacy Rules (CBPR) system, a framework that facilitates consumer trust, ensures privacy safeguards, and enables cross-border data flows. Momentum has grown recently around the CBPR system, with Australia, Chinese Taipei, and the Philippines all taking steps to join the system alongside the six current member economies. C&M International recently developed a practical Guide to the APEC CBPRs.**
- **Committing to bridging the digital divide, including through building up digital capacity and competencies in collaboration with the private sector. C&M International has been working with several partners in APEC to prepare a disruption-ready workforce.**

Regulatory

- **Supporting ongoing work in areas such as Good Regulatory Practices (GRPs), in particular regulatory reform in the digital age.**
- **Endorsing the Cross-Cutting Principles on Non-Tariff Measures to address non-tariff barriers in the APEC region.**

The APEC Ministerial Chair's statement may be found here.

The APEC Economic Leaders Chair's statement may be found here.

C&M International commends Papua New Guinea for its superb leadership and many contributions throughout its 2018 APEC host year. Planning is already underway for the 2019 APEC meetings in Chile, with the Informal Senior Officials Meeting (ISOM) to take place December 12 – 13 in Santiago. Malaysia will host APEC in 2020. Companies that engage work directly with governments to help shape the policy and regulatory environment for the APEC region, which grew at a rate of 4.1 percent in 2017, outstripping the global average of 3.5 percent.

C&M International, led by former Deputy U.S. Trade Representative, Ambassador Robert Holleyman, is recognized as a leader in facilitating private sector engagement in APEC and helping companies develop strategic partnerships, engage with policymakers to address challenges, and craft initiatives to support business goals.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

Robert Holleyman

Partner and C&M International President & CEO – Washington, D.C.

Phone: +1 202.624.2505

Email: rholleyman@crowell.com

John B. Brew

Partner – Washington, D.C.

Phone: +1 202.624.2720

Email: jbrew@crowell.com

Ryan MacFarlane

C&M International Director – Washington, D.C.

Phone: +1 202.624.2575

Email: rmacfarlane@crowell.com

Patricia L. Wu

C&M International Vice President and Managing Director – Washington, D.C.

Phone: +1 202.624.2963

Email: pwu@crowell.com

Clark Jennings

C&M International Managing Director, Asia – Singapore

Phone: +65.9111.0610

Email: cjennings@crowell.com

Andrew Blasi

C&M International Director – Washington, D.C.

Phone: +1 202.624.2837

Email: ablasi@crowell.com

Michael E. Schmitz

C&M International Director – Washington, D.C.

Phone: +1 202.508.8965

Email: mschmitz@crowell.com