



**APEC MINISTERS RESPONSIBLE FOR TRADE VIRTUAL MEETING
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The following communication, dated 8 June 2021, is being circulated at the request of the delegation of New Zealand.

1.1. We, the Asia Pacific Economic Cooperation (APEC) Ministers Responsible for Trade (MRT), met virtually from 4-5 June 2021. Our meeting was chaired by Hon Damien O'Connor, New Zealand's Minister for Trade and Export Growth. We welcomed the participation of the Director-General of the World Trade Organization (WTO), the Chair of the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC), the Association of Southeast Asian Nations (ASEAN) and the Pacific Islands Forum (PIF) Secretariat.

1.2. We, the APEC Ministers Responsible for Trade, are united behind the essential role of trade in tackling the impacts of the COVID-19 pandemic and in enabling a strong economic recovery for all our people. In these times of uncertainty, we are seized of the importance of implementing our Putrajaya Vision 2040, and we agree that bold action is necessary in the following three areas:

1. Trade as a tool to respond to the COVID-19 pandemic

1.3. Defeating COVID-19 is the top priority for every economy. Recognizing the role of extensive COVID-19 immunization as a global public good, we urgently need to accelerate the production and distribution of safe, effective, quality-assured, and affordable COVID-19 vaccines. As ministers, we are focused on trade and investment's role in ensuring widespread and equitable access to such vaccines and related goods. APEC is playing a key role in this effort, consistent with the Putrajaya Vision 2040. In July 2020 we announced a Declaration on Facilitating the Movement of Essential Goods, which was a strong demonstration of our willingness and ability to work together to facilitate trade. However, there is more work to do.

1.4. Today, we are pleased to announce a standalone statement on COVID-19 Vaccine Supply Chains (Annex 1), which outlines our approach to ensuring the trading environment supports the safe and efficient distribution of COVID-19 vaccines and related goods. We welcome the Best Practice Guidelines for APEC Customs Administrations as an operational and practical contribution to help facilitate the distribution of COVID-19 vaccines and related goods. To continue APEC's strong work in responding to the challenges of COVID-19, APEC economies will also agree to consider how to facilitate trade in medical supplies such as those included in the World Customs Organization (WCO) COVID-19 list¹, and report to us before our APEC Ministerial Meeting in November.

1.5. It is vital that services trade continues to flow during the COVID-19 pandemic. In particular, we highlight the integral role freight and logistics suppliers can play in the production, distribution, and sale of vaccines and medical supplies. We are pleased to announce the statement on Services to Support the Movement of Essential Goods (Annex 2). We task officials to update us on the progress of this work annually, as part of the review on the 2020 Declaration on Facilitating the Movement of Essential Goods. We also recognize the importance of providing predictability for service suppliers beyond the COVID-19 pandemic. As part of the work underway to review APEC's

¹ World Customs Organization: HS classification reference for Covid-19 medical supplies.

role in growing services competitiveness across the region, we agree to prioritize work to identify and subsequently consider removing unnecessary barriers to trade in services, particularly those services that expedite and facilitate the flow of essential goods.

1.6. Noting the detrimental impact of border and travel restrictions on our people and our economies, we must pave the way for the safe resumption of cross-border travel, without undermining efforts to prevent the spread of COVID-19. We task officials to share information on cross-border travel measures, including through established APEC digital platforms, and to identify initiatives and protocols related to establishing safe passage within the region, in line with ongoing multilateral discussions. We direct officials to discuss how APEC can better support air crews, facilitate business mobility across the region, and advance discussions on digital solutions to facilitate safe travel in the region, and report on progress before our APEC Ministerial Meeting in November.

1.7. We welcome the varied and continuous efforts as well as the contribution of additional resources across APEC to combat the pandemic, and note the newly established relevant ASF sub-fund in this regard.

2. Rules-based multilateral trading system

1.8. Recalling the role of the rules-based multilateral trading system in catalyzing our region's extraordinary growth, we are determined to cooperate to ensure the 12th WTO Ministerial Conference (MC12) is successful and delivers tangible results for all. We will cooperate to further enhance the role of the WTO in establishing rules that support a free, fair, predictable, non-discriminatory, transparent, and open trade and investment environment.

1.9. The WTO must demonstrate that global trade rules can help address the human catastrophe of the COVID-19 pandemic and facilitate the recovery. APEC economies will work proactively and urgently in Geneva to support text-based discussions, including for a temporary waiver of certain intellectual property protections on COVID-19 vaccines, as soon as possible and no later than MC12. As we seek to facilitate the recovery from the COVID-19 pandemic, we support efforts to deliver pragmatic and effective solutions on trade and health that reinforce APEC's work on essential goods, minimize disruption to, and enhance the resilience of supply chains, and demonstrate the positive role that trade can play in responding to global health emergencies. As APEC economies, we will play our part by ensuring that emergency measures designed to tackle COVID-19 are targeted, proportionate, transparent, temporary, and consistent with WTO rules and will support efforts to unwind remaining trade restrictive measures when appropriate.

1.10. We continue to support ongoing necessary reform work to improve the WTO's functioning. To that end, we recognize the importance of making progress on enhancing transparency. We engaged in frank and constructive discussions, and are committed to continuing these discussions regarding improved functioning of the WTO's negotiating and dispute settlement functions. We urge WTO Members to seek a shared understanding of the types of reform needed by MC12.

1.11. One of the most important contributions that the WTO will make this year to strengthen its credibility as a forum for negotiating new rules and to safeguard our natural resources, is the successful conclusion of the decades-long fisheries subsidies negotiations. As a group, APEC economies support the WTO Director-General's calls for the WTO fisheries subsidies negotiations to achieve a comprehensive and meaningful agreement with effective disciplines on harmful fisheries subsidies by 31 July 2021.

1.12. We must support the WTO and its membership to modernize trade rules for the twenty-first century. We recognize the positive role that existing plurilateral negotiations and discussions are playing in progressing outcomes. APEC member participants in the Joint Statement Initiatives (JSI) on e-commerce; domestic regulation in services; micro, small and medium-sized enterprises (MSMEs); and investment facilitation for development call for substantial progress in the relevant initiatives. We take note of the calls by the APEC economies who endorsed the Joint Declaration on Trade and Women's Economic Empowerment for an ambitious outcome at MC12.

1.13. APEC has been at the vanguard of ensuring that trade and environmental policies are mutually supportive, and we are determined this should continue. We agree on the importance of promoting economic policies and growth that contribute to tackling climate change and other serious

environmental challenges aligned with global efforts, such as the achievement of the 2030 Agenda for Sustainable Development and the goals of the Paris Agreement. In this context, we recognize member economies' energy transitions to a low emissions future will reflect the different circumstances in each economy. We are committed to advancing trade and environment issues at the WTO. We reaffirm the importance of trade measures taken to combat climate change being non-discriminatory and consistent with WTO rules.

1.14. We recognize that since APEC Economic Leaders endorsed the APEC List of Environmental Goods in 2012, new environmentally friendly goods, technologies and innovations have emerged that are not covered by the original list. We are ready to take concrete steps that build on this legacy, to further APEC's contribution to addressing the most serious environmental challenges. We instruct officials to review the implementation of the original list in contributing to green growth, addressing climate change and securing sustainable economic development objectives, and to update the list in terms of Harmonized System (HS) tariff classifications for reference purposes by the APEC Ministerial Meeting in November. At that time, we will consider instructing officials on further potential work to update the list. We also support APEC efforts to discuss the impact of non-tariff measures on trade in environmental goods.

1.15. We reaffirm APEC Economic Leaders' commitments to work on environmental services and welcome recent APEC reports on the ways in which APEC economies could support increased trade in environmental services.

1.16. We task officials to advance work on enhancing trade in environmental services, including by identifying environmentally related services across service sectors, and to report on progress at our APEC Ministerial Meeting in November. To ensure that services can contribute to long-term sustainability, we agree that economies will then take forward discussions on how to increase trade in environmental and environmentally related services, including by supporting liberalization, facilitation, and cooperation. We instruct officials to report on the outcomes of these discussions at the 2022 MRT.

1.17. We recognize the importance of the global agricultural and food systems, underpinned by WTO rules, bringing food, fibre, and other critical products to people all over the world, supporting global food security and sustainable economic development. While the agriculture sector has been resilient and international markets have remained relatively stable during the pandemic, it remains one of the most protected sectors in global trade. We agree on the need for a meaningful outcome on agriculture at MC12, reflecting our collective interests and sensitivities, with a view towards achieving substantial progressive reductions in support and protection as envisaged in the continuation of the reform process provided in Article 20 of the Agreement on Agriculture and existing mandates.

1.18. Market-distorting subsidies undermine a level-playing field. We are also increasingly concerned about those subsidies that have a negative environmental impact. We recall APEC's 2015 commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services. We task our officials to explore options, for those members that are in a position to do so, to undertake a potential voluntary standstill on inefficient fossil fuel subsidies for progress to be reported to ministers in November. We support capacity-building initiatives to advance progress towards the commitment, including further voluntary peer reviews.

1.19. APEC's work needs to deliver for all members of society, including women, MSMEs, and others with untapped economic potential. In this regard, we note recent initiatives in APEC to unlock the economic potential of Indigenous peoples. It is our responsibility to ensure our economic policies and trade and investment environment also promote equality of opportunity and advance economic inclusion. APEC should move at a faster pace to support businesses of all types, particularly MSMEs and start-ups, to access domestic and international markets. Our economic and technical cooperation and capacity building can reduce administrative barriers; promote education, training and skills development; enhance access to technology, finance and cross-border payment mechanisms; and ensure access to market and regulatory information.

1.20. APEC is also making useful contributions towards identifying policies and implementing structural reforms in support of inclusive and sustainable transitions to the future of work. To this end, we strongly support the ongoing work to implement the La Serena Roadmap for Women and Inclusive Growth across APEC's work agenda, which supports the economic empowerment of women. We encourage work that empowers women and others with untapped economic potential to access capital and markets, including through trade.

3. Shaping our future prosperity

1.21. It is critical that the economic settings in each of our economies enable trade and investment to become driving forces for our long-term economic prosperity, as we respond to the economic crisis. We welcome APEC's efforts to refresh its structural reform agenda, which will outline pillars of work including creating an enabling environment for open, transparent, and competitive markets and boosting business recovery and resilience against future shocks to promote strong, balanced, inclusive, innovative, and sustainable growth.

1.22. The pandemic has accelerated the process of digitalization, with the adoption of digital solutions no longer optional but necessary. We instruct officials to respond to ABAC's urgent call to accelerate progress on the APEC Internet and Digital Economy Roadmap work programme. We must create an enabling, inclusive and non-discriminatory digital economy that fosters the application of new technologies, allows businesses and entrepreneurs to thrive, facilitates the flow of data, strengthens consumer and business trust, and allows goods and services to move seamlessly across borders. At the same time, it is important to bridge the digital divide by facilitating access to information and communication technologies and the skills everyone needs to thrive in the digital economy where no one is left behind. Our work on the digital economy is critical for our future economic prosperity and is reflected in the APEC connectivity agenda and initiatives to build and safeguard an open, healthy, competitive, seamless and comprehensively connected and integrated Asia-Pacific region.

1.23. As a concrete step that can also make a significant contribution to our response to COVID-19, we will accelerate implementation of the WTO Trade Facilitation Agreement, particularly those articles relating to: the accelerated use of digitalization for border processes; pre-arrival processing of electronic declarations; electronic documents, electronic certification, electronic payments; expedited shipments; and border agency cooperation. APEC is well-placed to support economies in these efforts. This will further enhance the efficiency of supply chains. We agree to embed digital trade facilitation measures taken by APEC members during COVID-19. We task officials to report on progress when we meet again at the APEC Ministerial Meeting in November.

1.24. We support ongoing efforts to conclude, ratify, implement and upgrade bilateral and regional trade agreements that benefit and protect our people, enhance predictability and transparency for our businesses, complement the multilateral trading system, and contribute to deeper economic integration in the region.

1.25. These undertakings are strengthened by APEC's extensive work to support high quality and comprehensive trade and investment outcomes in the Asia-Pacific, particularly our ongoing implementation of the Lima Declaration on the Free Trade Area of the Asia-Pacific (FTAAP). We note ABAC's call to ensure FTAAP remains the organizing principle for regional economic integration. We also recognize the importance of regional, sub-regional and remote area connectivity through quality infrastructure development and investment, based upon relevant APEC work.

1.26. Last year APEC Economic Leaders proclaimed the Putrajaya Vision for an open, dynamic, resilient and peaceful Asia-Pacific community by 2040, and we urge officials to finalize their design of a concrete implementation plan across all elements of the vision by the time of the 2021 APEC Economic Leaders' Meeting.

1.27. We thank New Zealand for hosting the APEC MRT meeting and look forward to reviewing progress when we meet again in November.

Haumi ē, Hui ē, Tāiki ē
Join, Work, Grow. Together

ANNEX 1**APEC MRT STATEMENT ON COVID-19 VACCINE SUPPLY CHAINS**

We, the Asia Pacific Economic Cooperation (APEC) Ministers Responsible for Trade;

Welcoming progress implementing the 2020 APEC Declaration on Facilitating the Movement of Essential Goods, across export restrictions, non-tariff barriers, trade facilitation, and tariffs;

Recalling APEC Economic Leaders' determination and commitment to ensure the smooth distribution of essential goods across borders;

Recognizing the importance of ensuring the safety, efficiency, and resilience of supply chains for COVID-19 vaccines and related goods for the region's recovery from the COVID-19 pandemic;

Acknowledging the work by the World Health Organization (WHO), World Customs Organization (WCO) and other international organizations in facilitating COVID-19 vaccines and related goods;

Consistent with World Trade Organization (WTO) rights and obligations, WCO standards and the International Health Regulations;

Commit to accelerating implementation of the WTO Trade Facilitation Agreement and take further action in the following areas:

1. We agree to use the WCO-WHO list of COVID-19 vaccines and related goods¹ as a reference for facilitating trade. APEC economies will expedite the flow and transit of all COVID-19 vaccines and related goods through their air, sea and land ports. We will expedite their release upon arrival, including by providing for advance electronic submission and processing of information to enable immediate release upon arrival.
2. We will advance the implementation of the Best Practice Guidelines for APEC Customs Administrations to Facilitate the Distribution of COVID-19 Vaccines and Related Goods. We agree to embed the trade facilitation measures implemented during the pandemic, including digitizing customs procedures, expediting the flow of goods across borders, and boosting coordination between traders and border agencies.
3. While WTO rules permit export restrictions or prohibitions in certain circumstances, we emphasize economies who adopt such measures with respect to COVID-19 vaccines and related goods will evaluate their ongoing necessity as COVID-19 conditions change, in order to ensure they remain targeted, proportional, transparent, temporary, and do not create unnecessary barriers to trade. We call on other WTO Members to exercise equal restraint.
4. We will consider voluntary actions to reduce the cost of these products for our people, particularly by encouraging each economy to review its own charges levied at the border on COVID-19 vaccines and related goods.
5. We will take appropriate measures to prevent criminal exploitation of supply chains and to prevent the entry and import of illegal, dangerous, sub-standard or counterfeit COVID-19 vaccines and related goods. This could include further implementing the APEC Roadmap to Promote Global Medical Product Quality and Supply Chain Security and related toolkit.

¹ World Customs Organization and World Health Organization List of HS Classification Reference for Vaccines and Related Supplies and Equipment.

Review Mechanism

The APEC Secretariat will make a summary report on the actions implemented by economies under this initiative by the APEC Ministerial Meeting in November 2021, and every twelve months thereafter until COVID-19 is no longer determined to be a public health emergency of international concern.

Drawing on the reporting from the APEC Secretariat, APEC economies will review the progress of this initiative and report to us when we meet again in November.

ANNEX 2

APEC MRT STATEMENT ON SERVICES TO SUPPORT THE MOVEMENT OF ESSENTIAL GOODS

In 2020, in response to COVID-19, APEC Ministers Responsible for Trade committed to work to facilitate the movement of essential goods across borders and minimize disruptions to the global supply chains.

Recognizing the importance of ensuring that trade continues to flow during the COVID-19 pandemic;

Recognizing the vital role that services play in supporting the movement of essential goods as well as in the distribution of vaccines;

Committed to working together to facilitate the supply of services to support the movement of essential goods at this critical time;

Committed to a free, open, fair, non-discriminatory, transparent, inclusive and predictable trade and investment environment,

Reiterating our commitment to respond effectively and transparently to the economic consequences of the COVID-19 pandemic and to ensure that essential goods reach the destinations where they are needed during the pandemic, we APEC Ministers Responsible for Trade, hereby declare:

Barriers to Trade in Services

APEC economies should prioritize identifying unnecessary barriers to trade in any relevant services that may hinder expediting and facilitating the movement of essential goods, and should ensure consistency of any such barriers with their World Trade Organization (WTO) and preferential trade agreement obligations and commitments.

These efforts should be supported by a strong international set of disciplines. In this context, we note the progress made in the WTO under the Joint Statement Initiative on Domestic Regulation in Services. APEC member participants in this Initiative encourage conclusion of these negotiations as soon as possible.

Trade Facilitation

APEC economies will work to ensure the smooth and continued operation of the logistics networks that serve as the backbone of global supply chains. Building on the APEC Declaration on Facilitating the Movement of Essential Goods, we commit to enhancing coordination, efficiency and transparency around transport and logistical services, including those required for the border clearance of essential goods.

Each APEC economy is encouraged to facilitate services that support the expediting and release of essential goods upon arrival. This includes allowing services suppliers to digitally submit import documentation and other required information, such as manifests, in order to begin processing prior to the arrival of goods.

Review Mechanism

APEC economies will update the progress of these initiatives as part of the review of the Declaration on Facilitating the Movement of Essential Goods. The first such review will be conducted in 2022.
