

Australia's hosting of APEC 2007

The 2007 APEC Meetings which Australia is to host will address key issues facing the Asia Pacific region, including the future of trade and economic liberalisation, measures to cut business costs, energy security, regional health issues and counter-terrorism. In all, some 15,000 visitors are expected for the meetings. The Australian Government has committed more than \$300 million to hosting APEC, reflecting both the importance of the meetings to Australia and the strong role Australia has played in developing its agenda since the initial APEC Ministerial Meeting which Australia hosted in 1989.



Minister for Trade, the Hon. Warren Truss MP, addressing the APEC Australian Business Forum held at Parliament House, 28 November 2006. Photo: courtesy of DFAT.

In 2007, Australia is host to the Asia Pacific Economic Cooperation (APEC) forum, the largest and most significant meeting of world leaders ever held in Australia.

Leaders, senior ministers, officials and key business leaders from the 21 member economies of APEC will gather in Sydney in September in an APEC tradition that grew out of the inaugural APEC Ministerial Meeting in Canberra in November 1989.

The APEC agenda aims to enhance and support the economic dynamism of the Asia-Pacific region in order to increase the prosperity of the people of the region.

The 2007 APEC agenda

On the agenda for 2007 will be some of the most pressing trade, economic, security and social issues confronting the Asia-Pacific region.

These include issues such as the future of trade and economic liberalisation; enhancing regional economic integration; trade facilitation measures to cut business costs; structural economic reform;

energy security; minimising the impact of pandemics such as avian influenza; and counter-terrorism issues.

Foremost is the question of the **Doha Round of World Trade Negotiations**. As a group, APEC has consistently urged the WTO to work towards finalisation of its multilateral negotiations in the knowledge that it has the potential to deliver the best outcome for all nations.

In November 2006, in Hanoi, APEC Leaders noted that "The consequences of the failure of the Doha Round would be too grave to our economies and for the global multilateral trading system,"

"We should, therefore, spare no efforts to break the current deadlocks and achieve an ambitious and overall balanced outcome of the Round with the development dimension being at its core."

Since its inception in 1989, APEC has also promoted a **parallel agenda of free and open trade** in the region. The 1994 Bogor Goals, which sought free and open trade by 2010 for industrialised economies and 2020 for developing countries, remains the target.

Between 1989 and 2004, the average tariff level in APEC economies fell from 17 per cent to 6 per cent.

In 2007, Australia is leading work in looking at ways and means to sustain economic growth through increased regional economic cooperation. One of the elements being studied is a Free Trade Area of the Asia-Pacific (FTAAP) as a long term option.

“A Free Trade Area of the Asia-Pacific is something that has been talked about as an ambitious, long-term goal,” Prime Minister John Howard said in an address to the Global Foundation in Melbourne on 7 March. “With APEC economies accounting for about 55 per cent of global output and almost half of world trade, this is an opportunity too attractive to ignore.”

Trade Ministers will consider the issues surrounding enhanced regional economic cooperation and a possible FTAAP at their meeting in Cairns in July. They will provide guidance to APEC Senior Officials who will then present a report on the Regional Economic Integration Initiative to Leaders when they meet for the 15th APEC Economic Leaders Meeting from 7-9 September in Sydney.

One of the key drivers of the APEC “success story” over the past 18 years has been its behind-the-scenes work in advancing an agenda of ‘**trade facilitation**’. Essentially, this is about delivering cost reduction benefits to business through reduced red tape, easier movement of goods and services, greater harmonisation of standards and systems and improvements to electronic communications among APEC economies.

The APEC Business Travel Card, which was introduced as a trial scheme between a handful of APEC economies a decade ago to streamline travel for business people, thus reducing costs, has now been adopted by almost all 21 economies.

Streamlined customs procedures between APEC economies, along with harmonised and secure port clearance procedures, have reduced transaction costs considerably. A recent study confirmed that APEC economies have achieved the 5 per cent reduction in business transactions costs that Leaders committed to in 2001. Leaders have now committed to a new Trade Facilitation Action Plan, targeting a further 5 per cent reduction in transactions costs by 2010.

In addition to trade and investment issues, APEC in 2007 is working on an ambitious program to enhance **energy security and cleaner energy**, thereby addressing one of the most acute problems facing the region.

APEC Energy Ministers and officials, along with key industry leaders, will meet in Darwin in May to examine how APEC’s energy security and environmental sustainability objectives could be taken forward through greater efficiency in the energy market. They will explore the characteristics of efficient energy markets, and outline the key challenges facing APEC economies, and work to find mutually beneficial solutions.

APEC also has an **economic and technical cooperation program** through which member economies accept collective responsibility for implementing decisions made in APEC by sharing expertise and technical skills with other members. This assists all members to implement agreements made in APEC.

<p>APEC Member Economies:</p> <p><i>Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States of America; and Viet Nam.</i></p> <p><i>APEC economies account for around 56 per cent of world GDP, nearly half of world trade and around 40 per cent of the world’s population.</i></p>	<p>Meetings in the lead-up to September 2007 include:</p> <ul style="list-style-type: none"> • Ministerial meetings covering mining, small and medium business, transportation, energy, health, trade and finance; • sectoral meetings on agriculture, tourism, intellectual property, fisheries and marine resources, women’s issues, the digital economy, secure trade, trade promotion, human resources and food safety; • senior officials’ preparatory meetings at which detailed issues on the year’s agenda are developed. <p>The Annual APEC Ministerial meeting will be held immediately prior to the Leaders’ Meeting in Sydney.</p> <p>Overall, the schedule amounts to a total of about 100 days of APEC meetings in Australia during 2007.</p>
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Box 1: APEC as a region

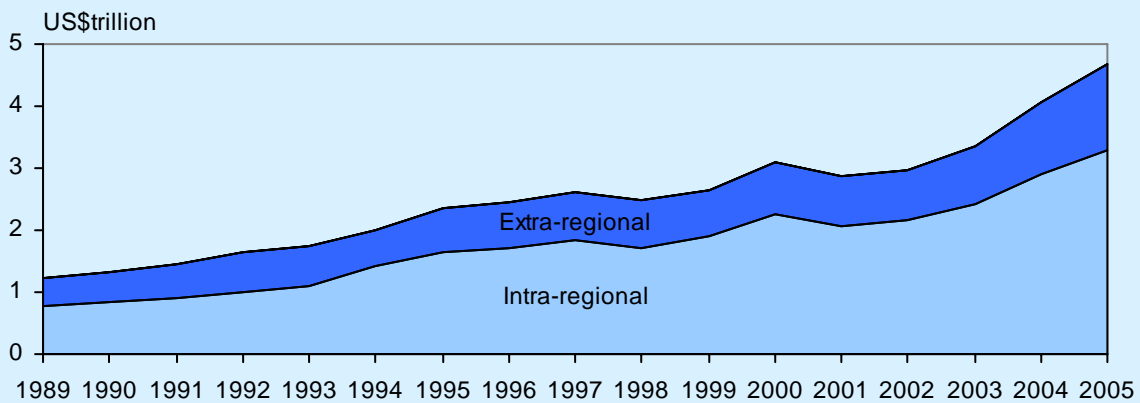
Overall, APEC accounts for 44 per cent of world exports and 45 per cent of imports. It includes three of the world's largest economies, the United States, Japan and China, which alone made up 43 per cent of the world economy and which are also Australia's three largest export markets.

A notable strength of APEC – and one of the reasons for its creation in 1989 – is that much of its members' trade is with other APEC members. This flows particularly from the substantial complementarity among member economies which drives trade and investment, feeds innovation and enhances the whole APEC region's growth.

In calendar year 2005, 70 per cent of APEC's members' merchandise exports and 68 per cent of merchandise imports were within the region. Intra-regional merchandise exports and imports have both grown on average by 9 per cent over the last five years.

APEC's integrated and cooperative nature and its trade liberalisation efforts have contributed importantly to this growth – APEC is not merely a success based on geographical proximities.

Figure 1
The APEC region – intra- and extra-regional merchandise exports



Source: IMF, CEIC and World trade Atlas databases.

APEC continues to address critical **health** issues, including measures to improve regional responses to pandemics such as avian influenza, SARS and HIV Aids, as well as **counter-terrorism**.

Australia's year as host

As a measure of APEC's importance to Australia, the Australian government has committed more than \$300 million to hosting APEC in 2007.

Some 15,000 people – including political leaders, senior business people, Government officials and media – will visit Australia over the year for APEC.

Every capital city will host at least one APEC meeting, with Sydney, Adelaide and Brisbane hosting multiple gatherings. Regions such as the Hunter Valley, the Gold Coast, the Sunshine Coast, and Far North Queensland will also host APEC's international visitors.

The year's first meeting - in Canberra in January - attracted some 1,000 accredited delegates from

within Australia and abroad, while the 3rd Ministers Representing Mining meeting in Perth from 12-16 February attracted more than 400 people, including the CEOs of some of the world's leading mining companies.

Hosting APEC 2007 thereby provides an excellent opportunity to showcase Australia's strong economy and links to the region, as well as our environment, society and culture.

... and its significance for business

APEC's commitment to trade liberalisation will continue to have positive effects for Australian businesses in terms of increasing opportunities to compete for business on a more even keel. Its business facilitation initiatives, which have already substantially lowered costs to business, make it easier for suppliers to compete in, and access, different economies.

APEC economies have made significant progress in moving to paperless trading, reducing customs requirements and harmonizing regulatory procedures. A concerted move to a 'Single Window' approach to further streamline export procedures will further benefit Australian and regional businesses.

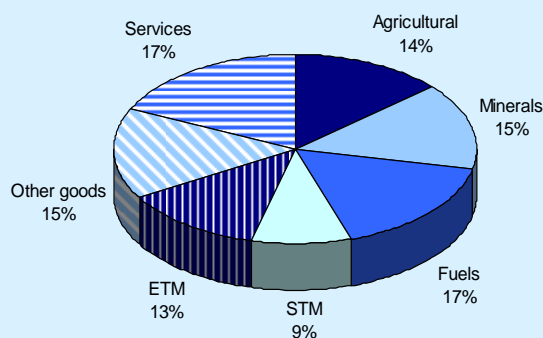
Box 2: Australia's exports to APEC

Australian export businesses have been significant beneficiaries of 18 years of work by APEC members to build stronger economies across the Asia-Pacific region.

Key statistics for 2006 include:

- APEC members took 69 per cent of all Australian exports – both goods and services – worth US\$108 billion;
- There has been increased business for the Australian services sector across APEC – worth US\$19.7 billion;
- There has been very strong growth in the value of resources exports to APEC members; in 2006 exports of iron ore were up 30 per cent, of copper ores up 50 per cent and of other ores up 42 per cent. Natural gas exports also grew strongly.

Figure 2
Australia's exports to APEC, 2006



Source: DFAT STARS database and ABS catalogue 5368.0.

APEC is now stepping up work on "behind the border" issues which can be an impediment to regional business activity. They include issues such as anti-corruption, transparency, intellectual property protection, corporate governance and business regulation, trade facilitation measures and reducing transaction costs for business.

Annex: Key APEC 2007 events

Leaders

- APEC Leaders' Meeting 8-9 September, Sydney.

Ministerial Meetings

- Ministers Responsible for Mining, 12-16 February; Perth;
- Small and Medium Enterprises, Ministers 4-9 March, Hobart;
- Transportation Ministers, 28-30 March, Adelaide;
- Energy Ministers, 27-30 May, Darwin;
- Health Ministers, 6-8 June, Sydney;
- Ministers responsible for Trade, 5-6 July, Cairns;
- Finance Ministers, 30 July – 3 August, Coolumb;
- APEC Ministerial Meeting, 5-6 September, Sydney.

Business

- APEC Business Advisory Council (ABAC) Meeting, 2-6 September, Sydney;
- APEC Australia 2007 Business Summit, 6-7 September, Sydney;
- ABAC Dialogue with Leaders, 8 September, Sydney.

Sectoral

- Food Safety Cooperation Forum, 2-4 April, Hunter Valley;
- Working Group on Trade Promotion, 15-17 April, Sydney;
- APEC Human Resources Development Working Group, 17-20 April, Brisbane;
- Automotive Dialogue, 17-20 April, Melbourne;
- APEC Study Centres Consortium Symposium, 18-20 April, Melbourne;
- Fisheries Working Group and Marine Resources Conservation Working Group, 23-27 April, Gold Coast;
- Pacific Economic Cooperation Council (PECC) Standing Committee and General Meeting 30 April – 2 May, Sydney
- Tourism Working Group and Industry Forum 15-18 May, Gold Coast;

- Agricultural Technical Cooperation Working Group 28-31 May, Brisbane;
- APEC Digital Economy Forum for Women 22-23 June, Port Douglas;
- Women Leaders Network Meeting 24-27 June, Port Douglas;
- Secure Trade in the APEC Region (STAR) Conference 27-28 June, Sydney.

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- More information about APEC can be found at:
- www.dfat.gov.au/apec (Policy information)
 - www.apec2007.org (General information and arrangements)
 - www.apecsec.org.sg (APEC Secretariat, Singapore)

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Asia-Pacific
Economic Cooperation

Secure Trade in the APEC Region (STAR V) Conference



**"MITIGATING RISKS:
CONTAINING COSTS"**

27 - 28 June 2007 Sydney, Australia

As host of APEC in 2007, Australia will convene the fifth 'Secure Trade in the APEC Region' Conference ('STAR V'), to be held in Sydney 27- 28 June 2007. Australia looks forward to your participation in the Conference, which will develop recommendations for APEC Ministers and Leaders on ways to enhance the safe and secure movement of people and trade within the APEC region.

The over-arching theme for STAR V will be "Mitigating Risks: Containing Costs". This theme is intended to highlight the importance of developing effective public-private partnerships in taking a strategic risk-management approach to secure trade, recognizing that it does involve costs to the private sector and that it is important for governments to frame measures in a way which minimize these additional costs while facilitating trade.

The Conference will focus on two main streams:

- (i) security of identity
- (ii) security of the supply chain.

Speakers will lead discussion on these two streams, focussing on cross-cutting issues such as the effectiveness of and scope for public-private sector partnerships; latest tools and technology; capacity building; and future directions.

Australia expects broad participation by key public and private sector stakeholders. Registration details and related information will be available shortly through links at the APEC Australia 2007™ website: www.apec2007.org

In addition, a select number of sponsorship and trade exhibition opportunities are available for organisations who wish to take advantage of this forum to promote their goods and services to the high level attendees.

For further enquiries regarding Registration, sponsorship and exhibition:

Tour Hosts Pty Ltd, Conference and Exhibition Managers,
Tel +61 2 9265 0700, Fax +61 2 9267 5443,
Email: apec2007star@tourhosts.com.au

All other enquiries: Sandy Collett, APEC Task Force, Department of Foreign Affairs and Trade (sandy.collett@dfat.gov.au)

We look forward to welcoming you to Sydney in June.

www.apec2007star.org

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the Department of Foreign Affairs and Trade
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Australian Customs Service,
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and Department of Immigration and Citizenship



Australian Government
Australian Customs Service



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Department of Transport
and Regional Services



Australian Government
Department of Immigration
and Citizenship

STAR V Conference
"MITIGATING RISKS: CONTAINING COSTS"



Asia-Pacific
Economic Cooperation

DRAFT PROGRAM

www.apec2007star.org

Day 1 - 27 June 2007

0830 - 0915	REGISTRATION	
0915 - 1000	Opening and Plenary (Welcome and opening remarks from host) (Introduction of sessions and context setting by guest speaker)	
	STREAM 1: "Identity"	STREAM 2: "Supply chain security"
1000 - 1030	MORNING TEA	
Session 1 1030 – 1200 (1.5 hr)	Cross-cutting theme - "Taking stock: key risks and unresolved issues" The Plenary will divide into two concurrent sessions which will set the scene and provide the context for APEC's secure trade agenda. These concurrent sessions will address issues and risks from a range of industry sector perspectives (eg aviation, maritime, people movement).	
1200 - 1400	LUNCH	
Session 2 1400 – 1530 (1.5 hr)	Cross-cutting theme – "Public and private sector approaches to secure people movement and trade" (Part 1) Sessions 2 and 3 will provide an opportunity for both public and private sectors to review developments and progress at national level including through case studies of economy approaches. Governments and the private sector will also outline their current initiatives and issues of concern relevant to the development and implementation of secure trade programs and practices.	
1530 - 1600	AFTERNOON TEA	
Session 3 1600– 1730 (1.5 hr)	Cross-cutting theme – "Public and private sector approaches to secure people movement and trade" (Part 2) (as above)	
1900 - 2200	CONFERENCE GALA DINNER	

Day 2 - 28 June 2007

	STREAM 1: "Identity"	STREAM 2: "Supply chain security"
Session 4 0900 – 1030 (1.5 hr)	Cross Cutting theme – "Tools and Technology" (Part 1) Sessions 4 and 5 will provide an opportunity for the public and private sectors to review developments and progress in implementing the latest tools and technologies for securing people movement and trade	
1030 - 1100	MORNING TEA	
Session 5 1100 – 1230 (1.5 hr)	Cross Cutting theme – "Tools and Technology" (Part 2) (as above)	
1230 - 1400	LUNCH	
Session 6 1400 – 1530 (1.5 hr)	Cross Cutting theme – "Building capacity and future directions" The intention of this session is to outline existing capacity building and other collaboration in the APEC region for the secure movement of people and trade; to consider scope for further co-operation; and identification of the needs and the way ahead	
1530 - 1600	AFTERNOON TEA	
1600 – 1630	Plenary wrap-up and closing (Stream Facilitators' reports to Plenary) (Closing remarks)	