



**Asia-Pacific
Economic Cooperation**

APEC Economic Policy Report

APEC Economic Committee

2011

Advancing Free Trade for Asia-Pacific Prosperity

**Document is designed for double-sided printing.
Blank pages have been deliberately included to allow correct pagination.**

Attachments

1. EC's Discussion on the Post-LAISR Structural Reform Agenda – Note by the EC Chair – (2010/ESOM/006) 135
2. Consolidated LAISR Forward Work Programme (as of 30 October 2010) 143
3. The Impacts and Benefits of Structural Reforms in the Transport, Energy and Telecommunications Sectors in APEC Economies (Executive Summary) 173
4. Update of Ease of Doing Business (EoDB) Action Plan- Progress of Phase 1 Programmes and Phase 2 Diagnostics 181
5. What's next for Economic Committee? –Structural reform in the context of APEC Growth Strategy and ANSSR– 185

**Document is designed for double-sided printing.
Blank pages have been deliberately included to allow correct pagination.**

What's next for Economic Committee?

–Structural reform in the context of APEC Leaders' Growth Strategy and ANSSR–

(A revised note originally prepared for the EC Chair's presentation at SOM3, 2010)

1. Background

APEC Leaders last year agreed to formulate a comprehensive long-term growth strategy in 2010. Discussions on the Growth Strategy have been made extensively throughout this year at various meetings including the MRT, the Growth Strategy High-Level Policy Round Table, SOM meetings and EC1, with the goal to finalise it at the AMM and AELM to be held in November. The APEC Leaders' Growth Strategy, which aims to achieve balanced, inclusive, sustainable, innovative and secure growth, will be implemented through an Action Plan encompassing five work elements: (a) structural reform, (b) human resource and entrepreneurship development, (c) green growth, (d) knowledge-based economy and (e) human security. As part of its multi-year follow-up mechanism, SOM will be asked to report to the Leaders in 2015 on the progress made in the Growth Strategy. Given its centrality to the Growth Strategy, it is likely that structural reform will remain as a key policy agenda for APEC beyond 2010.

Along with the discussion on the Growth Strategy, the APEC New Strategy for Structural Reform (ANSSR) has been discussed and developed by SOM and its Friends Group on Structural Reform since early 2010. ANSSR calls for extending the priority areas for structural reform work in APEC beyond the five LAISR areas. The ANSSR statement also invites APEC Leaders to jointly [pledge/commit/declare] in November 2010 to undertake demonstrable and significant structural reform in their economies with a target year of 2015. Each economy is asked, by the end of 2011, to make its own [pledge/statement/plan] setting forth priorities for structural reform in various areas including financial markets, labour market and education, SME, women and social safety nets as well as policies and measures to make progress toward them by 2015. Under this agenda, structural reform will be expanded to become a shared APEC-wide objective, with all relevant fora, including HRDWG, FMP, SMEWG, and GFPN, taking part. The EC will be tasked to lead on work to promote more open, well-functioning, transparent and competitive markets.

Extract from "The APEC New Strategy for Structural Reform (ANSSR)"

The Economic Committee (EC) will continue its horizontal approach as pursued under the LAISR and lead on work to promote more open, well-functioning, transparent and competitive markets, with a focus on regulatory reform, competition policy, corporate law and governance, and public sector governance, as well as the follow up to the EoDB Action Plan.

Meanwhile, ANSSR has been referred to in the Growth Strategy as follows, indicating that it will likely be the main component of the structural reform Action Plan of the Growth Strategy.

Extract from "The APEC Leaders' Growth Strategy"

3. Action Plan for the APEC Growth Strategy

(1) Development of Integrated Work Elements to Facilitate Implementation of the APEC Growth Strategy

a. Structural Reform

Structural reform is essential in achieving strong, sustained, and balanced economic growth. The region has achieved much in this regard over the past five years through our Leaders' Agenda to Implement Structural Reform (LAISR). In order to achieve more balanced and inclusive growth, APEC economies, under Senior Officials' guidance and monitoring, should implement the APEC New Strategy for Structural Reform (ANSSR), which sets forth extended priority areas for structural reform, including promoting quality education, increasing labor market opportunities, promoting SME development, enhancing opportunities for the vulnerable and women, and promoting effective social safety net programs and financial market development, in addition to continued efforts to improve market efficiencies, as pursued under the prior LAISR program.

The EC Chair has participated in the discussions on the Growth Strategy and ANSSR on various occasions and has provided the EC members' views on the next phase of the structural reform agenda including effective implementation mechanisms, and the EC's possible contributions to the new strategy. For example, at the Extraordinary SOM held in April 2010, the EC Chair made a presentation on the EC's discussions on post-LAISR agenda and indicated that (i) the five LAISR areas are still relevant as a whole and need to be strengthened further with necessary modifications beyond 2010, (ii) implementation mechanisms are all the more important if APEC goes further behind the border, and EC should be ready to assist structural reform initiatives by other fora by providing advice based on its past experiences and expertise with horizontal viewpoints, and (iii) EC might consider introducing new mechanisms to enhance the effectiveness of structural reform activities. The EC Chair also presented an interim report on the progress made in implementing the LAISR agenda at SOM2 held in June, which was subsequently welcomed by APEC Ministers Responsible for Trade.

2. Proposed contributions to the Growth Strategy and ANSSR by EC

The above discussion suggests that the next phase of APEC's structural reform agenda will likely be a combination of continuation of the cross-cutting approach pursued under the LAISR initiative, and new extended priority areas. This will give EC a greater opportunity to contribute to the structural reform agenda for APEC. In light of such a situation, the EC Chair would like to propose approaching EC's structural reform work for the next five years along the following lines.

First, EC will **continue its horizontal approach** as currently pursued under LAISR. At the EC2 in 2010, EC agreed to reformulate the five priority areas (regulatory reform, competition policy, corporate governance, public sector governance, and strengthening economic and legal infrastructures) to better facilitate structural reform in the current context, with the updated set of FotC groups and new coordinators to lead the work in the priority areas as indicated below. EC has also agreed to retain the Competition Policy and Law Group (CPLG) as a group of experts. The objectives and scope of activities of each FotC and CPLG have been specified in a work plan prepared by each coordinator and the CPLG Convenor (see below).

- Competition policy: Australia
- Corporate law and governance: TBD
- EoDB: The United States

- Public sector governance: Chinese Taipei
- Regulatory reform: Japan
- Competition Policy and Law Group (CPLG): Japan

Second, EC will continue to discuss **possible additional roles** that it can play to facilitate ANSSR with an aim to bridging sector-specific and horizontal approaches in order to seek synergy effects. Although the specific form of contribution will be subject to agreement by other fora and SOM, EC should be ready to assist other fora by providing practical tools that have been employed under LAISR to facilitate structural reform. In addition, EC may hold a number of joint seminars/workshops with relevant committees and fora, taking advantage of its cross-cutting viewpoints. EC could also look to develop a so-called tailor-made approach, which aims to enhance effectiveness of structural reform activities based on APEC's tradition of non-binding practices. This approach can be applied not only to the reformulated LAISR areas but also to the new priority areas, through collaboration with relevant committees and fora.

3. Next step

New FotC Coordinators, in consultation with respective FotC members, are requested to develop a full-fledged programme for each FotC to lay out the FotC's activities with possible timelines. Detailed instructions will be announced by the EC Chair before the EC1 meeting in 2011.

APEC Economic Committee Work Plans of the New FotC Groups and Competition Policy and Law Group

Name of the FotC: Competition Policy

Coordinating Economy: Australia

Membership Principles¹ and Member Economies: TBA

Objectives:

Responsible for considering the role that government should play in facilitating and encouraging competition including through pro-competition policies and government decision-making processes aimed at enhancing, protecting and preserving competitive processes in order to enhance consumer welfare and improve economic outcomes.

This will include consideration of ways to facilitate behaviour which is pro-competitive and prevent behaviour which is anti-competitive. This may include consideration of:

- the role of political support for competition;
- how government has regard to competition during policy making processes;
- how the general state of competition and any case for government intervention can be judged by policy advisors;
- institutional responsibility for policy advice and enforcement;
- the processes by which increasing competition can occur and how transitional issues can be ameliorated; and
- options outside of anti-trust law to increasing competition, including for example, reducing barriers to entry; asymmetric information etc.

Scope:

The Competition Policy FotC would consider competition policy matters from a broad, high level perspective. Consideration of technical elements of anti-trust law and enforcement would be the responsibility of CPLG. CPLG would effectively be a group of experts mainly focused on operationalising competition policy. Competition Policy FotC and CPLG will work closely together and consider joint activities and workshops where appropriate.

¹ FotC coordinators are expected to propose as to how the membership can be organized. Possible examples include:
 A: Economies with the intention of sizable/substantial contribution will be members, while other economies will take part in decision making at the Plenary.
 B: Two kinds of membership, with core members and non-core members.
 C: Economies with the intention of sizable/substantial contribution will be members, while other economies will be CC-ed when FotC e-mail discussion is conducted among such members.

List of Individual Activities to be Succeeded (see Annex 1)

- The PSU's research on the impacts and benefits of structural reform in the transport, energy, and telecommunications sectors (PSU). The findings of the study may be suitable to be transformed into workshop-style formats to provide economies with increased practical understanding of how to undertake structural reforms in these sectors.

List of Ideas on Possible New Projects

- How to restore/encourage governments to continue to facilitate competition in markets where there are calls for increased protection post-GFC.
- Considering additional ways to best to utilise the APEC Principles to Enhance Competition and Regulatory Reform and the APEC-OECD Integrated Checklist on Regulatory Reform where it relates to matters of competition policy (noting that CPLG has also contributed to this work in the past).
- Examining the role of competitive neutrality in government policy, which aims to ensure that government business activities do not enjoy competitive advantages over their private sector competitors by virtue of their public sector ownership.

Items in the Forward Work Programme for LAISR and Their Transition to the New FotC Groups (Competition Policy)

OBJECTIVES	ACTION ITEMS/SPECIFIC PRODUCTS	STATUS	LED BY	SUGGESTED NEW FOTC /SUBFORA
1. Provide context for the discussion on competition policy within APEC, identifying areas of need for competition policy	APEC Economic Policy Report 2008	Completed	Peru, EC Chair	Competition Policy, CPLG
2. Provide guidance for good practice	Good practice principles for competition and regulatory reform	Completed	Hong Kong, China; EC Chair	Competition Policy
	Seminar on Good Practises in Regulation and the Promotion of Efficiency in Transport Infrastructure Facilities	Completed	Peru, Australia, Singapore, CPLG, EC Chair	Competition Policy, CPLG
3. Set the stage for productive discussion on competition policy within APEC.	Share information and experiences on competition policy	On-going	Hong Kong, China; Chinese Taipei; CPLG	CPLG
4. Stocktake of progress in competition policy and set direction of future work.	LAISR Stock-take Report	Completed	Hong Kong, China; EC Chair	Competition Policy, CPLG, whole of the EC
	Ministerial Meeting on Structural Reform	Completed	Australia, Peru, Singapore, EC Chair	Whole of the EC
5. Capacity building to implement practical measures.	Study on the impacts and benefits of structural reforms in transport, energy and telecommunication sectors	Completed	PSU	Competition Policy
	Seminar on Impacts of Structural Reforms and LAISR Stock-take	Completed	HKC, Japan	Competition Policy
6. Promote better understanding of practical measures to strengthen competition policy	Training course on Advocacy of Competition Policy	Completed	CPLG (Vietnam, Japan)	CPLG
	Training course on Cartel and Bid-rigging	To be proposed	CPLG (Malaysia, Japan)	CPLG
	Roundtable Discussion on Procedural Fairness in Competition Cases	Completed	CPLG, ABAC	CPLG
	Training course on Vertical Restraints and Interrelations between Competition Policy and Consumer Protection Policy	Completed	Chinese Taipei, Japan, CPLG	CPLG

Name of the FotC: Corporate Law and Governance

Coordinating Economy: tbd

Membership Principles² and Member Economies: tbd

Objectives:

The new Corporate Law and Governance FotC group aims to maintain a platform for economies to discuss and exchange information on corporate law and corporate governance issues in APEC. (to be developed)

Scope:

The scope of the new Corporate Law and Governance FotC group will largely overlap with that of the former Corporate Governance FotC and the Strengthening Economic and Legal Infrastructure (SELI) FotC. (to be developed)

List of Individual Activities to be Succeeded (see Annex 2)

List of Ideas on Possible New Projects

(to be developed)

² FotC coordinators are expected to propose as to how the membership can be organized. Possible examples include:
A: Economies with the intention of sizable/substantial contribution will be members, while other economies will take part in decision making at the Plenary.
B: Two kinds of membership, with core members and non-core members.
C: Economies with the intention of sizable/substantial contribution will be members, while other economies will be CC-ed when FotC e-mail discussion is conducted among such members.

Items in the Forward Work Programme for LAISR and Their Transition to the New FotC Groups (Corporate Governance)

OBJECTIVES	ACTION ITEMS/SPECIFIC PRODUCTS	STATUS	LED BY	SUGGESTED NEW FOTC /SUBFORA
1. Set the stage for productive discussion on corporate governance within APEC.	Good practice principles for corporate governance	Completed	United States	Corporate Law and Governance
	Agenda on corporate governance	Completed	United States	Corporate Law and Governance
	Review work on corporate governance	Completed	United States	Corporate Law and Governance
2. Identify areas of need for strengthening corporate governance.	Review progress on corporate governance	Completed	United States	Corporate Law and Governance
3. Build consensus on best practices in corporate governance.	Roundtable discussion on corporate governance	Completed	United States	Corporate Law and Governance
4. Build capacity to implement practical measures.	Technical assistance as necessary	Completed	United States	Corporate Law and Governance
	APEC Training Course on Corporate Governance	Completed	Viet Nam	Corporate Law and Governance
	Workshop on corporate governance reform	Completed	United States	Corporate Law and Governance
5. Increase awareness of the elements of sound corporate governance.	Seminar on promoting good governance for SMEs	On-going	To be decided	Corporate Law and Governance
	Workshop on Implementing the OECD Principles of Corporate Governance	Completed	United States	Corporate Law and Governance
	Workshop on Identifying Capacity Building Needs for Implementation of the OECD Principles of Corporate Governance	On-going	United States	Corporate Law and Governance
6. Stocktake of progress in strengthening corporate governance and set direction of future work.	APEC Economic Policy Report on corporate governance	Completed	United States, Japan	Corporate Law and Governance, whole of the EC

**Items in the Forward Work Programme for LAISR and Their Transition to the New FotC Groups
(Strengthening Economic and Legal Infrastructure (SELI))**

OBJECTIVES	ACTION ITEMS/SPECIFIC PRODUCTS	STATUS	LED BY	SUGGESTED NEW FotC /SUBFORA
1. Set the stage for productive discussion on strengthening economic and legal infrastructure within APEC.	Share reports on strengthening economic and legal infrastructure	Completed	SELI Chair (SELI Coordinating Group)	Corporate Law and Governance
	Build a network for information exchange on strengthening economic and legal infrastructure	Completed	Australia	Corporate Law and Governance
2. Identify areas of need for strengthening economic and legal infrastructure.	Review progress on strengthening economic and legal infrastructure	Completed	SELI Chair (SELI Coordinating Group), ABAC	Corporate Law and Governance
	Report on cross-border mergers and acquisitions	Completed	Hong Kong, China	Corporate Law and Governance
3. Build consensus on best practices in strengthening economic and legal infrastructure	Information sharing on best practices for strengthening economic and legal infrastructure	Completed	SELI Chair, United States (SELI Coordinating Group)	Corporate Law and Governance
4. Promote better understanding of practical measures to strengthen economic and legal infrastructure.	Seminar and/or Roundtable discussion on strengthening economic and legal infrastructure theme	Completed	Japan	Corporate Law and Governance
5. Capacity building to implement practical measures.	Capacity building as necessary	On-going	To be decided	Corporate Law and Governance
6. Increase awareness of the elements of sound economic and legal infrastructure.	Ministerial Meeting on Structural Reform	Completed	Australia, Peru, Singapore, EC Chair	Whole of the EC
	APEC Growth Strategy High Level Policy Round Table	Completed	Japan	Whole of the EC
7. Stocktake of progress in strengthening economic and legal infrastructure and set direction of future work.	Summary of outputs and outcomes of work programme	Completed	Japan, EC Chair	Whole of the EC

Name of the FotC: Ease of Doing Business (EoDB) FotC

Coordinating Economy: The United States

Membership Principles and Member Economies:

Membership is not intended to be exclusive, and broad participation by interested economies is highly encouraged. At the same time, we hope the following three groups of economies will actively participate in the FotC:

- The EoDB Champion economies: Hong Kong, China; Korea; Japan; New Zealand; Singapore; and the United States
- Economies that have participated in or are interested taking part in Phase 2 diagnostics of the EoDB Action Plan
- Economies that are willing to provide assistance in conducting the Phase 2 diagnostics

In addition, given the broad range of expertise required and work to promote relevant reforms ongoing in other fora, close collaboration with other fora, particularly CTI and SMEWG, is envisaged.

Objectives:

To assist APEC member economies in promoting reforms for ease of doing business, including by implementing the EoDB Action Plan to make it 25 percent cheaper, faster, and easier to do business in the APEC region by 2015 as measured by the World Bank's *Doing Business* indicators.

Scope:

The immediate focus of the FotC will be to effectively implement the Phase 2 diagnostics in each of the five priority areas in volunteering economies and to monitor progress in the APEC region by 2011 in light of the World Bank's *Doing Business* indicators. The scope of the EoDB FotC over the medium term could also include but not limited to:

- Considering potential directions beyond the Phase 2 diagnostics in the five priority areas
- Exploration of work in EoDB areas other than the five priority areas

List of completed and ongoing activities

Starting a business championed by New Zealand and the United States

- Workshop on reducing start-up and establishment time of businesses (March 2010, Hiroshima)
- Phase 2 program in Indonesia (July 2010, Indonesia)

- Seminar on the First Steps of successful reform in Doing Business³ hosted by Chinese Taipei (October 2010, Taipei)

Enforcing Contracts championed by Korea

- Workshop on enforcing contracts (June 2010, Seoul)

Trading Across Borders championed by Singapore and Hong Kong China

- Workshop on Trading Across Borders (September 2010, Sendai)

Getting Credit championed by Japan

- Workshop on Getting Credit for SMEs (September 2010, Sendai)

Construction Permits championed by Singapore

- Workshop on reforming the regulatory system for Construction Permits (October 2010, Singapore)

List of Ideas on Possible New Projects

- Phase 2 diagnostics on the five areas
- Report in 2011 on the progress made under the EoDB Action Plan
- Policy Report on the EoDB possibly in 2012 i.e. compilation of reforms in economies and lessons learned from phase 2 diagnostics
- Workshop to explore new areas for reform on EoDB

³ The seminar focused on Starting a business, Getting Credit, and Construction Permits.

Name of the FotC: Public Sector Governance

Coordinating Economy: Chinese Taipei

Membership Principles and Member Economies:

Economies with the intension of sizable/substantial contribution will be members, while other economies will be CC-ed when FotC e-mail discussion is conducted among such members.

Objectives:

The new PSG FotC aims to maintain a platform for economies to discuss and exchange practical experiences on public sector governance. It will facilitate ANSSR and support APEC Growth Strategy by improving the quality of public sector governance via providing opportunities for benchmark learning and best practices sharing among economies.

Scope:

In order to deepen and widen dialogues among economies, Chinese Taipei suggests that the new PSG FotC group develops the priority areas on the basis of its past achievements and the interests of member economies. With references to the results of the *Stock-take of activities against the nine high-level principles for good public sector governance* and the *LAISR Reformulation Survey*, Chinese Taipei proposes five themes for advanced discussions in the new PSG FotC, including:

- Strengthening public administration for the future

Coping with changes of the market, the political situations, and the natural environment within and beyond the boundaries, economies have adjusted their governmental structures to enhance competitiveness and to strengthen governance capacity in the past decade. In order to update lessons of government restructuring from economies, Chinese Taipei proposes that one of the priority areas of the new PSG FotC focuses on the lessons and the results of public administration reforms. Discussions in this area will concentrate on approaches and outcomes of organizational restructuring in the public sector promoting across boundary governance, reduction of administrative process and burden, and an effective government. This area aims to facilitate experience sharing of administrative reforms and expects to promote economic, social, and political performance and good public sector governance among economies.

- Improving the quality of public service

Quality public service delivery is essential when promoting citizen trust and satisfaction toward the public sector. Seeking ways to advance the efficiency and quality of the public service delivery, APEC member economies have developed various innovative measures in recent years. This area aims to exchange the incentive mechanisms or initiatives economies designed to evaluate the quality of public service and to encourage the citizen-oriented public service.

- Leveraging ICTs to strengthen public sector governance

ICTs are becoming an essential part of many economies' governance initiatives. Active uses of ICTs for improving government process (e-administration), connecting citizens

(e-citizens and e-services), and building external interactions (e-society) are beneficial to public participation and government transparency. This area expects to deepen experience sharing on how economies utilize new ICTs to promote government efficiency and responsiveness. Key issues in this area include agile and friendly access of public service, real-time government information and services, and applications of social networking to enhance interactions between the government and the public.

- Enhancing fiscal transparency and public accountability

Promoting fiscal transparency is one of the government's focal responsibilities to articulate the achievements of value for money. This area focuses on the practical measures and tools economies took to enhance public spending management, to improve government productivity, and to assess the quality of fiscal transparency. This area aims to develop a paper of fiscal transparency and public accountability.

- Strengthening trust, integrity, and ethics

Corruption erodes public trust towards the government and the performance of public governance. Therefore, to build a clean government and to construct public service ethic codes have been major concerns among economies. This area aims to promote further discussions on the systematic and organizational design and regulations of anti-corruption in the public sector. Economies will also have opportunities to exchange experiences on surveying the public perception of corruption and on training programs of the public service ethics.

List of Individual Activities to be Succeeded (see Annex 3)

List of Ideas on Possible New Projects

- Seminar, workshop, and roundtable discussion on priority areas
- Tailor-made project to assist member economies to improve governance quality in the public sector
- Paper on fiscal transparency and public accountability

Items in the Forward Work Programme for LAISR and Their Transition to the New FotC Groups (Public Sector Governance)

OBJECTIVES	ACTION ITEMS/SPECIFIC PRODUCTS	STATUS	LED BY	SUGGESTED NEW FOTC /SUBFORA
1. Set the stage for productive discussion on public sector governance within APEC.	Seminar on public sector governance	Completed	New Zealand, Japan, Malaysia	Public Sector Governance
	APEC Economic Policy Report on public sector governance	Completed	New Zealand, EC Chair	Public Sector Governance
	Bibliography of resources on public sector governance	Completed	New Zealand	Public Sector Governance
2. Identify areas of need for strengthening public sector governance.	Review APEC Economic Policy Report on public sector governance	Completed	Canada, EC Chair	Public Sector Governance
3. Promote better understanding of practical measures to strengthen public sector governance.	Good practice principles for public sector governance	On-going	Canada	Public Sector Governance
	Policy dialogues on public sector governance	On-going	To be decided	Public Sector Governance
	Management Performance: Towards Effective Government	Completed	Canada	Public Sector Governance
	Workshop on e-governance	Completed	Chinese Taipei, New Zealand	Public Sector Governance
	Workshop on government performance and results management	Completed	Chinese Taipei, New Zealand	Public Sector Governance
4. Capacity building to implement practical measures.	Workshops on public sector governance as appropriate	On-going	To be decided	Public Sector Governance
5. Increase awareness of the elements of sound public sector governance.	Ministerial Meeting on Structural Reform	Completed		Whole of the EC
6. Stocktake of progress in strengthening public sector governance and set direction of future work.	Summary of outputs and outcomes of work programme	Completed	New Zealand	Public Sector Governance, whole of the EC

Name of the FotC: Regulatory Reform

Coordinating Economy: Japan

Membership Principles⁴ and Member Economies:

Basically all EC members

Objectives:

Promote regulatory reform in APEC economies to:

- increase social welfare by better balancing and more effectively delivering government policies over time;
- boost economic development and consumer welfare by encouraging market entry, innovation and competition and thereby promoting competitiveness;
- control regulatory costs so as to improve productive efficiency by reducing unnecessary costs, particularly for entrepreneurs and small, medium, and micro sized businesses;
- improve public sector efficiency, responsiveness, and effectiveness through public management reforms;
- rationalize and simplify law; and
- improve the rule of law and democracy through legal reform, including improved access to regulation and reduced discretion, where excessive, for regulators and enforcers.

Scope:

- The Regulatory Reform FotC will work to promote regulatory reform bearing in mind that all the FotC's activities will help implement the APEC Leaders' Growth Strategy, including the ANSSR initiative.

List of Individual Activities to be Succeeded (see Annex 4)

1. APEC-OECD Integrated Checklist on Regulatory Reform

- The Agreement for an APEC-OECD Co-operative Initiative on Regulatory Reform was endorsed at the APEC Ministerial Meeting on 12-13 November 2000 in Brunei Darussalam. The first phase of the APEC-OECD initiative was completed in October 2002, at the High level Conference in Jeju, Korea, where economies agreed on the need to elaborate an APEC-OECD Integrated Checklist for self-assessment on regulatory,

⁴ FotC coordinators are expected to propose as to how the membership can be organized. Possible examples include:
 A: Economies with the intention of sizable/substantial contribution will be members, while other economies will take part in decision making at the Plenary.
 B: Two kinds of membership, with core members and non-core members.
 C: Economies with the intention of sizable/substantial contribution will be members, while other economies will be CC-ed when FotC e-mail discussion is conducted among such members.

competition and market openness policies, to implement the APEC and OECD principles. The second phase of the initiative has focused on the development of the Integrated Checklist that has been presented for approval to the respective Executive Bodies of APEC and the OECD in 2005.

- The Checklist is a voluntary tool that member economies may use to evaluate their respective regulatory reform efforts. Based on the accumulated knowledge of APEC and the OECD, the Checklist highlights key issues that should be considered during the process of development and implementation of regulatory policy, while recognizing that the diversity of economic, social, and political environments and values of member economies require flexibility in the methods through which the checklist shall be applied, and in the uses given to the information compiled.
- So far, six economies (Australia; Hong Kong, China; Japan; Korea; Chinese Taipei; and the US) have conducted self assessments.

2. Voluntary Reviews of Institutional Framework and Processes

- In Melbourne, Australia on 3-5 August 2008, the APEC economies' Ministers responsible for structural reform tasked the EC to develop a process for voluntary self-review of economies' institutional frameworks that support structural reform.
- A process for voluntary self review was developed and endorsed at the EC2 meeting held on 23-24 July 2009 in Singapore.⁵ The key features of effective reform institutions or processes that were agreed to be important for supporting reform are: Mandate, Governance, Budget, Independence, Authority, Transparency, and Economy-wide mandate/perspective.
- The overall purpose of the review is to examine the extent to which these key features are present in the institutions and processes for structural reform within the reviewed economy. This review complements the APEC-OECD Integrated Checklist on Regulatory Reform.

3. Benchmarking Survey

- In February 2010 at Economic Committee (EC) 1, Australia circulated a draft benchmarking survey on regulation for economies' consideration. Following integration of the comments received, the final survey was circulated for completion by 21 May 2010.
- The survey was intended to gather information on the current regulatory state of play in APEC economies to provide a base level (the benchmark) against which to measure progress - with a follow up to be conducted in approximately five years to examine progress.
- The benchmarking survey was also intended to assist economies in setting domestic targets, tracking the success of regulatory initiatives over time and allocating APEC's capacity building resources in this area. The questions attempted to capture the framework and processes which assist in achieving good regulatory outcomes by taking a 'snapshot' of the regulatory processes in place in each economy.

⁵ PSU prepared Handbook for "The APEC Voluntary Reviews of Institutional Frameworks and Processes for Structural Reform" in October 2009.

List of Ideas on Possible New Projects

1. Roundtable on the Good Practice Guide on Regulatory Reform and Voluntary Reviews of Institutional Framework and Processes
 - To start our new Regulatory Reform FotC activities, we should review this FotC's past activities. In particular, we might usefully reflect on the purpose and content of the Good Practice Guide on Regulatory Reform and Voluntary Reviews of Institutional Framework and Processes and discuss how to utilize these tools from now on. We plan to have a roundtable for this purpose at EC1 in 2011.

2. Engage ABAC in joint projects to connect APEC regulatory agencies with business needs
 - Cooperation with ABAC is indispensable in this field to promote regulatory reform in alignment with business needs. For example, collaboration on SME finance, which has recently been a hot topic of discussion within ABAC, will create synergy between ABAC's activities and the EC's activities.

3. Joint sessions with other fora (e.g. HRDWG, SMEWG, ISTWG)
 - As regulatory reforms enhance economic growth in various fields, it is important to make our discussion more professional and technical through cross-fora collaboration. Possible ideas include joint sessions with the HRDWG or SMEWG to discuss regulatory reform for Inclusive Growth or with the ISTWG to discuss regulatory reform for Innovative Growth.

4. Regulatory agency case studies
 - Examining exemplary regulatory agencies could be helpful in developing best practices from which all APEC economies could learn. We might derive benefits from case studies of regulatory agencies thought to be world leaders responsible for particular economic sectors or particular regulatory fields.

5. Regulatory transparency best practices
 - Sharing and examining best practices for regulatory transparency is very important for improving regulatory reform process in each economy – i.e., how to consult the public, where to publish draft regulations, leveraging web 2.0 technologies, implementing forward regulatory agendas/programs, sharing regulatory impact analysis with the public, etc.

6. Coordinate with the PSU to research priority areas for regulatory reform in the region and privately communicate them to relevant member economies.
 - We will utilize the PSU's expertise and survey capability to encourage regulatory reform in member economies.

Items in the Forward Work Programme for LAISR and Their Transition to the New FotC Groups (Regulatory Reform)

OBJECTIVES	ACTION ITEMS/SPECIFIC PRODUCTS	STATUS	LED BY	SUGGESTED NEW FOTC /SUBFORA
1. Provide context for the discussion on regulatory reform within APEC	• Roundtable discussion on regulatory reform	Completed	Australia	Regulatory Reform
2. Provide guidance for good practice regulation principles and practices within APEC	• Good Practice Guide on Regulatory Reform	Completed	Australia, Peru, Mexico, New Zealand	Regulatory Reform
	• Workshop on Improving Public Consultation in the Rulemaking Process	Completed	United States, Indonesia, Japan, Mexico, Vietnam	Regulatory Reform
	• Survey of incentive schemes for civil servants	Completed	Chinese Taipei	Regulatory Reform
	• Ministerial Meeting on Structural reform	Completed	Australia, Peru, Singapore, EC Chair	Whole of the EC
3. Enhance APEC economies' regulation making, review and enforcement processes and systems.	AEPR 2009: Regulatory Reform theme	Completed	Australia	Regulatory Reform
	Benchmarking Survey	On-going	Australia	Regulatory Reform
	Voluntary reviews of institutional framework and processes	On-going		Regulatory Reform
	APEC-OECD Integrated Checklist on Regulatory Reform	On-going		Regulatory Reform
	Ongoing program to address identified weaknesses	On-going		Regulatory Reform
4. Improve APEC economies' regulation in key sectors of the economy.	Desktop research on the current cost and quality of transport, telecommunication services, and energy to consumers in APEC economies	On-going	PSU	Regulatory Reform
5. Address key regulatory burden on businesses in APEC economies.	Study of regulatory burden within APEC economies	Completed	Singapore	Regulatory Reform
6. Assess overall progress in regulatory reform amongst APEC economies and set direction for future work.	Report to APEC Leaders for endorsement	Completed	Australia, EC Chair	Regulatory Reform, whole of the EC

Name of the FotC: Competition Policy and Law Group (CPLG)

Coordinating Economy: Japan

Membership Principles⁶ and Member Economies:

The CPLG membership remains open to all economies as in the past.

Objectives:

The CPLG works to promote an understanding of regional competition laws and policies, to examine the impact on trade and investment flows, and to identify areas for technical cooperation and capacity building among APEC member economies.

Scope:

The CPLG is responsible for technical aspects of competition law and enforcement to develop and enhance competition law and policy in APEC member economies. It covers the legal and regulatory issues of competition law and enforcement, including sharing new developments in the law, comparative aspects of competition law, the role of the courts, the degree of autonomy granted to competition authorities, better methods to improve success of monitoring and enforcement of the law and appropriate remedies. It requires high degree of technical expertise, in-depth understanding and ability to analyze the legal and regulatory issues from the members involved.

List of Individual Activities to be Succeeded (see Annex 1)

- APEC Training Course on Competition Policy in 2011 and 2012

Training course in 2011 is planned to be held in Malaysia, focusing on “Cartel and Bid-rigging”. At present, Malaysian Ministry in charge of competition policy is preparing a concept note for the training course in cooperation with CPLG Convener’s Office, aiming at submitting it to EC1 meeting and the first approval session of the BMC (Budget and Management Committee) next year.

As for the training course in 2012, the CPLG are still discussing basic concept of the course and who will be the host.

- The Competition Policy and Law Database

For the purpose of sharing information/experiences and discussions among APEC member economies regarding updates and recent developments in competition law and policy, the website “The Competition Policy & Law Database” has been managed by Chinese Taipei. The website has been updated periodically for providing latest information since its establishment in 1999.

⁶ FotC coordinators are expected to propose as to how the membership can be organized. Possible examples include:
 A: Economies with the intension of sizable/substantial contribution will be members, while other economies will take part in decision making at the Plenary.
 B: Two kinds of membership, with core members and non-core members.
 C: Economies with the intension of sizable/substantial contribution will be members, while other economies will be CC-ed when FotC e-mail discussion is conducted among such members.

- **Members' Report/Presentation on Up-dated and Development of Competition Policy**

In order to exchange information, promote dialogue and encourage cooperation among the authorities for competition policy of member economies, each economy will make presentations in the CPLG meeting on up-dates and development of competition policy and law, which may cover the following items:

1. Introduction of competition law and change to competition law and policy;
2. Enforcement of competition law and policy (featuring recent cases);
3. Challenges being faced in the area of competition policy and competition advocacy efforts;
4. Provision or needs of technical assistance activities, if any, (what kind of technical assistance is needed or useful)

List of Ideas on Possible New Projects

- Survey on Information Exchange on Competition in APEC region
- Best Practice of Competition Development in APEC
- The dialogue with private sector including ABAC