

6 June 2016

Ambassador Luis Quesada
APEC 2016 SOM Chair
Ministry of Foreign Affairs
Peru

Dear Ambassador Quesada:
By email to: fSubiad@rree.gob.pe

**ASIA PACIFIC SERVICES COALITION PROPOSALS FOR APEC SERVICES
COMPETITIVENESS ROADMAP**

We write to thank you as Chair of the SOM for the timely opportunity provided for several of us to participate in the SOM Public Private Dialogue on Services in Arequipa City and for ensuring that high priority has been given at SOM 2 and by Ministers Responsible for Trade to development of the APEC Services Competitiveness Roadmap.

As you are aware, the Asia Pacific Services Coalition held its second meeting at the invitation of and with significant support from the China Association for Trade in Services. We met in Beijing on 29 May 2016 on the margins of the China Beijing International Fair for Trade in Services, and the Global Trade in Services Summit which focused on the theme “Innovation and Trade in Services: Opportunities and Challenges in the Era of Digitization”.

Eleven of our member organizations were able to join this 2nd meeting; from Australia, Chinese Taipei, Hong Kong, Indonesia, Malaysia, Papua New Guinea, Peru, the Philippines, PBEC, Singapore, and the United States.

We discussed key areas of common business concern across the APEC region and identified issues, set out below, which we believe should be given high priority for APEC to take collective initiatives in the Services Competitiveness Roadmap.

We discussed the proposal tabled in Arequipa City for adoption by 2017 of guiding principles for services regulation and would view a process commencing in 2016 under the joint guidance of the Economic Committee and the Committee on Trade and Investment to achieve this outcome as a positive development. Against that background, we welcome and applaud the recent significant contribution of the Group on Services by preparing a non-binding Compendium of Guiding Principles for Good Policy and Regulatory Practices; this compendium has been developed in active consultation and interaction with a variety of regional services providers and reflects our business competitiveness needs inter alia for a light regulatory touch, open markets and inter-operability between markets.

We are clearly in an “age of digitization” and we therefore put priority on APEC work on digital trade as a “next generation” issue. We look forward to contributing, through on-going APEC Public Private Dialogues on Services, to regional peer-

learning on cross-border e-commerce, including the extent to which digital and other new technologies are challenging regulators by disrupting traditional business models and opening up new inclusive growth opportunities for SME and MSME exports. We see the free cross-border flow of data as fundamental to firm-level competitiveness for services providers to all sectors. We expect that work on principles for services regulation would necessarily cover regulatory issues on digitization, including discouraging localization requirements for data storage.

We also discussed the business needs in the region for greater ease of temporary mobility of services providers, including inter-corporate transferees. We naturally expect APEC work on principles for services regulation to cover all modes of supply and all services sectors.

You should also know that the Asia Pacific Services Coalition takes a big interest in the proposal in the APEC Services Cooperation Framework on development of a Services Knowledge Platform, because access to improved, accurate and trusted information is fundamental to business success. Here, we call on APEC to continue to build upon its Services Trade Access Requirements (STAR) Database as a platform that encourages transparency of rules. On a related basis, we urge APEC to put in place a system to benchmark the regulatory environment of the services sectors of all 21 APEC economies early, building on work already done in this area. This will enable APEC and its individual economies to measure how well they are doing in lifting the restrictions on services trade and investment.

In addition to this initial discussion of collective APEC action, we agreed to continue sharing among ourselves ideas for steps which need to be taken in the context of the Individual Action Plans and to each make contact in due course with our APEC Senior Official to put forward concrete business proposals for individual action in our capitals.

We take this opportunity to advise you that with support from both ABAC and PECC, we are taking various joint steps to build and consolidate our new institution. The Latin American Services Exporters Association has joined as a participating observer and collaborative activities are being planned with the ASEAN Services Providers Confederation. We will report formally to ABAC at its forthcoming August 2016 meeting in Shenzhen. At the invitation of the Coalition of Services Industries, the United States, we plan to meet again in Washington, DC on the margins of a Global Services Summit on 20 October 2016. We plan for a meeting in Kuala Lumpur at the invitation of the Malaysian Services Providers Confederation during 2017.

This letter is sent to you on behalf of the following organizations, each of which will separately forward a copy of this letter to our respective APEC Senior Officials.

APEC economies:

Australian Services Roundtable, Australia

ABAC Brunei, Brunei Darussalam

Canadian Services Coalition, Canada

Federation of Korean Industries, Korea

Hong Kong Coalition of Service Industries, Hong Kong, China

Indonesia Services Dialogue, Indonesia

Japan Services Network, Japan
Malaysian Service Providers' Confederation, Malaysia
Business New Zealand, New Zealand
Business Council of Papua New Guinea, Papua New Guinea
Lima Chamber of Commerce Services Committee, Peru
Philippine Services Coalition, Philippines
Singapore Business Federation, Singapore
Sociedad de Fomento Fabril de Chile FG, Chile
Taiwan Coalition of Service Industries, Chinese Taipei
U.S. Coalition of Services Industries, United States

Others:

National Business Association of Colombia, Colombia
Pacific Basin Economic Cooperation Council (PBEC)
ASEAN Service Providers' Confederation (ASPC)
Latin American Services Exporters Association (ALES)