

Group On Services
Report for the
CTI ANNUAL REPORT TO MINISTERS

For AMM’s information

(a) Key outcomes and achievements in 2024

1. APEC Services Competitiveness Roadmap (ASCR)

- Looking toward the ASCR’s target year of 2025, GOS initiated a process for the final review of the ASCR and initiated discussions on potential plans for APEC’s services agenda post-2025. The ASCR final review proposal, including an annex containing the TOR to request PSU support, was endorsed by the Senior Officials.
- The GOS held a two-day dialogue focused on the progress of the ASCR on 18-19 August during SOM3. The dialogue featured cross-fora and industry participation and included a Joint EC-GOS Dialogue on Services and Structural Reform and a GOS-PPWE workshop on “Enhancing Women’s Economic Empowerment in APEC through Greater Participation in High-Skill Digitized Service Sectors.”
- The PSU briefed GOS on the ‘2024 Update to Monitoring Pandemic Recovery Under the ASCR’ pursuant to instructions from Senior Officials in 2022. The key findings and messages of this report are:
 - APEC’s trade in commercial services surged to USD 5.4 trillion in 2023, up 7.6% from the previous year, with a significant narrowing of the gap between actual and projected values.
 - From the perspective of the three monitored sectors, while transport services trade in APEC has continued to grow since its full recovery in 2021, travel services trade in the region remains below their pre-pandemic level. Meanwhile, APEC trade in other business services did not register a fall during the pandemic and has continued to scale greater heights.
 - APEC’s regulatory environment for services trade generally remains more restrictive than its pre-pandemic level, accompanied by a worrisome trend of increasing restrictions for digital services trade. APEC must address these issues, improve data collection, and leverage the ASCR to support continued sector recovery and growth.

2. Domestic Regulation of Services

- The GOS endorsed the report developed by the United States, titled “Services Domestic Regulation: Envisioning Next Generation Technical Standards Principles.” and held a workshop on Services Domestic Regulation: Applying Effective Principles for Technical Standards Development.

3. APEC Index to Measure the Regulatory Environment in Services Trade of APEC

- The United States, as the new Chair of the Technical Group for the APEC Index and champion economy for the issue, organized the Technical Group Meeting on 17 August. The United States updated the GOS on recent APEC Index developments

and underscored its interest in seeing the Index become as useful a resource and policy tool as possible.

4. Environmental Services

- The GOS convenor, the New Zealand GOS team and the APEC PSU provided a joint presentation on APEC's work on environmental services and the APEC model schedule on environmental services in an information session at the WTO Committee of Specific Commitments in April 2024. In addition, Costa Rica, as co-convenor of the WTO Trade and Environmental Sustainability Structured Discussions (TESSD) (and holding a three-year guest status in GOS), updated GOS members during GOS2 on the current discussions regarding environmental services, highlighting TESSD's Working Group on Environmental Goods and Services and developments since MC13. The GOS also discussed potential contributions to the WTO TESSD.

5. Mutual Recognition Agreement

- Australia, as the champion economy for mutual recognition of qualifications and licensing, leads the “APEC Professional Services and Mutual Recognition Agreement Project (Multi-Year).” This project aims to enhance professional mobility by increasing awareness and utilization of MRAs while promoting digital credentialing. The project improves transparency, fosters collaboration, and supports economic recovery post-COVID-19. Key activities include updating the MRA inventory website, providing online training, and hosting Community of Practice meetings.

6. Manufacturing-related services

- Malaysia, as the champion economy for manufacturing-related services, summarized outcomes from its recent capacity building activities which discussed the rapid development of manufacturing-related services (MRS) across the APEC region and its implications for trade agreements and policies. Malaysia noted they are considering proposing an evaluation survey.

7. Services and Structural Reform

- In 2024, the GOS endorsed the APEC Policy Brief: Drivers of Services Competitiveness and the Contribution of Structural Reform. The GOS and the EC held a joint meeting on Services and Structural Reform during the ASCR Dialogue at SOM3. Australia, which is leading this initiative within GOS, noted the importance of supporting APEC economies to implement market opening economic reforms for services.

8. GOS organized the following workshops/events in 2024

- GOS Workshop on Exploring opportunities and challenges for Professional Services Mutual Recognition in APEC (1 March)
- EC and GOS Joint Workshop on Services and Structural Reform (2 March)
- GOS Workshop: “Knowledge Intensive Business Services (KIBS), Digital Services and Barriers faced by Women in International Trade in Services” (15 August)

- GOS Workshop: “Services Domestic Regulation: Applying Effective Principles for Technical Standards Development” (16 August)
- GOS Technical Group Meeting on the APEC Index (17 August)
- APEC Services Competitiveness Roadmap Annual Dialogue, including “Joint EC and GOS Dialogue on Services and Structural Reform” and “Exploring how digitalization can create opportunities in high skilled services: maximizing benefits for women as services providers” (18-19 August)

(b) Work undertaken by fora in pursuit of the [Putrajaya Vision 2040](#), including through the [Aotearoa Plan of Action \(APA\)](#)

The GOS continues to implement “GOS Core Services Issues” to address unfinished business of the Bogor Goals, focusing on five priority areas: domestic regulations, development of an APEC Index to Measure the Regulatory Environment in Services Trade, mutual recognition of qualifications and licensing, environmental services and manufacturing-related services. Work on each priority area is led by champion economies by focusing on how the GOS can contribute to the effective implementation of the Aotearoa Plan of Action.

(c) Work Undertaken by the fora in response to Ministerial, SOM and CTI direction

SOM mandate to monitor the implementation of the APEC Services Competitiveness Roadmap

- The GOS held the annual ASCR Dialogue during SOM 3. The two-day dialogue featured cross-fora and industry participation to improve the monitoring of the ASCR process and receive inputs from relevant stakeholders.
- The ‘2024 Update to Monitoring Pandemic Recovery Under the ASCR’, which was endorsed to be reported annually until 2025, was reported by PSU.

CTI tasking to take forward discussions on how to increase trade in environmental and environmentally related services, including by supporting liberalisation, facilitation, and cooperation, as agreed in the 2021 APEC Ministerial Statement

- New Zealand, the champion economy for Environmental Services, updated economies on a presentation by the GOS Convenor, New Zealand, and the APEC Secretariat on APEC’s work in this area in an informal WTO discussions session in April 2024. New Zealand noted the importance of communication between APEC and the WTO on environmental services issues. On “the Reference List of Environmental and Environmentally Related Services”, which was endorsed by APEC Ministers in 2021, New Zealand will consider opportunities for information sharing and best practices, including utilization of the Reference List in ongoing negotiations.

(d) Key Issues Under Discussion by the Fora (if any)

- Following SOM’s endorsement of the proposal of the final review of the ASCR, the GOS and PSU will proceed with the ASCR final review.

(e) Private sector / Stakeholder engagement and cross-fora collaboration in 20204 (if any)

- The GOS is accountable for the implementation and monitoring of APEC-wide actions under the APEC Services Competitiveness Roadmap (ASCR) in 17 APEC sub-fora. A cross-fora collaborative event is to be organized in the margin of every SOM2 until 2025 to support efforts in monitoring its implementation. In 2024, the GOS held the ASCR Dialogue at SOM3 that including a joint EC-GOS Dialogue on Services and Structural Reform and a GOS-PPWE workshop on “Enhancing Women’s Economic Empowerment in APEC through Greater Participation in High-Skill Digitized Service Sectors”. Additional dialogues are planned for 2025.

(f) Items to submit to Senior Officials or Ministers (if applicable)

Nil