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A Strategy for Enhancing the Philippine IAP

Cid Terosa and George Manzano

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Cid Terosa and George Manzano

University of Asia and the Pacific

May 2000

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A Strategy for Enhancing the Philippine IAP
By George Manzano and Cid Terosa

I. Introduction

Today, the greatest challenge facing APEC is to sustain the strides already made in its three-pronged agenda in the Asia-Pacific region – liberalization, facilitation and economic/technical cooperation.

In 1994, when the Eminent Persons Group enunciated a vision of free and open trade in the Asia-Pacific, APEC was received by the international community with much confidence and promise. The general enthusiasm was raised a few notches higher when the economic leaders, during their annual summits, progressively put substance to the APEC vision.

The vision, that of seeing the region acting together as part of the international economy in a market-led process of deepening interdependence that will bring about better living standards for the people in the region (PECC 99), was compelling in the context of the high and ‘miracle’-proportion growth record of the region during that time. However, as recent events such as the Asian financial crisis and the incident in Timor show, maintaining the momentum of the APEC is no easy task.

The Philippines continues to be fully committed to the APEC process. It championed the economic and technical cooperation agenda during the Manila APEC summit in 1996. It has not backtracked on its APEC commitments in the midst of the Asian crisis. Similar to the challenge confronting the whole of APEC, the challenge for the Philippines is to maintain the dynamic process for improving and implementing its Individual Action Plans (IAPs) and convincing other APEC members to do likewise.

This paper proposes a twofold strategy in enhancing the 1999 Philippine IAP. First, the paper proposes concrete improvements required in order to bring the Philippine IAP at least on a par with the APEC average in all the trade and investment liberalization and facilitation (TILF) areas outlined in the IAP. The second part is meant to address the free-rider problem through the peer review mechanism. Thus, the paper also suggests specific improvements (where appropriate) in the IAPs of the other APEC members to bring them to the level of the Philippine IAP.

II. The Role of IAPs in the APEC process

As mentioned earlier, the challenge confronting APEC is finding an approach to maintain both the interest and level of commitment of the APEC members to push
the envelope of TILF further outward. In the past, APEC has moved forward on the basis of the high-profile and bold pronouncements on TILF by APEC leaders during their annual summits. Under this channel, the declarations of Bogor and Manila are particularly significant in advancing the APEC process (Bergsten, 1997).

Equally effective are the diligent efforts, on the part of officials to improve and deepen the TILF agenda through enhancing the IAPs the year round. The IAPs, which detail the voluntary commitments as well as the state of implementation of the TILF agenda of member economies, constitute the primary mechanism for pushing the concerted unilateral liberalization (CUL), which is a unique form of international cooperation in pushing the TILF\(^2\).

It is increasingly recognized that the IAPs are becoming the central vehicle for achieving the APEC Bogor goals (PECC 1999). The IAPs embody the merits of the continuous character of the APEC process (a repeated game structure), which is considered rather novel in international trade fora. To illustrate, this ‘repeated game’ structure involves smaller steps and essentially a continuous negotiations to encourage countries to make regular, albeit smaller, concessions each year, partly to earn peer respect or approbation and partly to obtain support for their own priorities in the future (Petri, 1997).

The IAPs have been subject to constant refinement in terms of content, presentation and review. The first IAPs were incorporated in the Manila Action Plan Agenda (MAPA) in 1996. Though considered short on specifics and vague on overall goals, the IAPs, by their mere submission, are a major step forward in promoting transparency in APEC and a solid beginning toward its substantive goal (Petri, 1997). Since then, the APEC Senior Officials Meetings (SOMs) have consistently introduced measures to improve the IAPs in terms of clarity, presentation, comparability, timeframes, etc. These improvements have certainly facilitated the task of assessing the IAPs.

### III. Assessing the IAPs

One important mechanism that highlights the peer review and assistance aspect of the APEC process is the periodic review of the IAPs. The enhancement of the IAPs follow an assessment coming from at least three channels — own evaluation by individual economies, official collective or bilateral sessions, and independent assessments. The first channel, voluntary enhancement of the IAP by each economy, is regularly carried out by the senior officials. This review process is conducted annually and culminates in the APEC ministerial meeting that precedes the APEC Economic Leaders meetings. Exactly how far-reaching these

\[^2\] Unlike the modality of market access pursued in the WTO or NAFTA, where binding agreements are negotiated in a formal process, in APEC, commitments to liberalization are voluntary, non-binding and an offshoot of consensus.
improvements are will depend on the national authorities, as the commitments are voluntary.

The second channel — two or more economies decide on their own to comment on each other’s IAP — is a more recent modality. One variant of this channel is that one economy makes a presentation of its IAP in order to solicit the comments from other economies. This peer review process has been conducted for 11 economies in 1999. Apart from the technical benefits of evaluation, this form of cooperation is meant to bolster confidence in the process of engaging in an exchange of views on the progress of IAPs to prepare for the eventual adoption into the APEC process. The peer pressure aspect in generating more significant IAP improvements is clearly more evident under this mode.

Independent assessment of the IAPs, official or otherwise, is the third channel. In the official channel, APEC formally asks a private sector body to make an independent assessment of the IAPs. This arrangement is partly motivated by considerations of credibility as well as the diplomatic constraints faced by officials in expressing their frank evaluation of the IAPs of other member economies. For example, the Pacific Economic Cooperation Council (PECC) has been commissioned by APEC to produce an independent review of the IAPs on condition that no attribution of individual economies is made. The unofficial assessments, on the other hand, are carried out by independent research, usually by the different APEC Study Centers. Because these assessments are academic in nature, there are less constraints in attribution, and important points for suggestion directed to individual economies can be raised.

One of the first attempts in assessing the IAPs of the APEC members quantitatively was done by Yamazawa (1997). This study evaluated the 1997 IAPs of 18 economies in 13 TILF areas. This work uses as benchmark (used in comparing the progress and quality of the IAPs) the Bogor goals, as spelled out in the Osaka Action Agenda. To quantitatively assess the quality of the IAPs, Yamazawa, drew a scenario for each TILF area (tariff, non-tariff measure, etc.) which is essentially a checklist of features that an IAP that is on track to reach the Bogor goals should have. Against this scenario is compared the actual IAPs where full correspondence of an individual IAP with the scenario will merit the full mark of 100 points.

One of the central elements of Yamazawa’s methodology is the setting up of the notion of an ‘APEC average.’ True, the methodology is subjective and does not admit comparisons across areas. Nevertheless the ‘APEC average’ is an appealing benchmark to assess the liberalization efforts of the APEC members as contained in the IAPs. The findings of Yamazawa (1997) show that in general, the IAPs of developed members exceed the APEC average, while those of the developing economies generally fall under the APEC average. Of course, individual performances in specific areas differ and no individual IAP exceed the APEC average in all of the 13 categories.
Yamazawa and Urata (1999) used a similar quantitative assessment methodology to the 1998 IAPs. This work improves over the previous one in that a common grading system is added in order to secure the consistency and comparability of the assessment across different areas. Yamazawa and Urata ranked the IAPs of member economies according to the number of areas in these IAPs that exceed the APEC average. For example, given that there are 13 areas in the IAP, a member is said to have an IAP exceeding the APEC average if the IAP exhibits commitments that exceed the APEC average in more than eight areas. Thus, using the APEC average per area as a benchmark, there are three categories for IAPs — above the APEC average, just at the average levels, and below APEC average (Table 1 lists the countries under the different categories). Similar to the findings of the earlier assessment, Yamazawa and Urata found that developed members with the addition of Hong Kong and Singapore, have IAPs that rate generally above the APEC average.

<table>
<thead>
<tr>
<th>Member</th>
<th>Above APEC Average</th>
<th>APEC Average</th>
<th>Below APEC Average</th>
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<tbody>
<tr>
<td>Australia</td>
<td>✓</td>
<td></td>
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<tr>
<td>Brunei</td>
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<td>Canada</td>
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<td>Chile</td>
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<td>China</td>
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<td>✓</td>
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<td>Hong Kong</td>
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<td>Japan</td>
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<td>Korea</td>
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<td>Mexico</td>
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<td>PNG</td>
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<tr>
<td>Philippines</td>
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<td>Singapore</td>
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<td>Chinese Taipei</td>
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<td>Thailand</td>
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<tr>
<td>United States</td>
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</table>

Source: Yamazawa and Urata (1999)
The Philippines IAP rating is reported in Table 2. Figure 1 shows the radar charts of the 1997 and 1998 Philippines and the APEC average.

<table>
<thead>
<tr>
<th>Table 1: Ratings for the Philippines IAP</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td><strong>1997</strong></td>
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<td><strong>1998</strong></td>
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<td><strong>Philippines</strong></td>
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<td><strong>APEC Average</strong></td>
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<td><strong>Philippines</strong></td>
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<td><strong>APEC Average</strong></td>
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<tr>
<td><strong>Tariff</strong></td>
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<tr>
<td><strong>Non-tariff Measures (NTM)</strong></td>
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<tr>
<td><strong>Service</strong></td>
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<td><strong>Investment</strong></td>
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<tr>
<td><strong>Standard &amp; Conformance</strong></td>
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<tr>
<td><strong>Customs</strong></td>
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<tr>
<td><strong>Intellectual Property Rights</strong></td>
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<tr>
<td><strong>Competition Policy</strong></td>
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<td><strong>Government Procurement</strong></td>
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<td><strong>Deregulation</strong></td>
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<tr>
<td><strong>Rules of Origin</strong></td>
</tr>
<tr>
<td><strong>Dispute Mediation</strong></td>
</tr>
<tr>
<td><strong>Mobility of Business People</strong></td>
</tr>
</tbody>
</table>

Source: *Yamazawa (1997); ** Yamazawa and Urata (1999)
IV. Strategies for Enhancing the Philippine IAP

It is in the Philippines’ interests — for economic and political reasons — that the country’s IAP be consistently and regularly enhanced. The economic benefits are fairly standard. Politically, a clear and enhanced Philippine IAP can potentially promote transparency, and bolster the commitment to reforms that will enhance international credibility.
Is there a need to have a strategy for enhancing the Philippine IAP? After all, the benefits from full liberalization are well-grounded theoretically. Given the trade-offs involved between offering too little and committing too much in the IAP, there is compelling reason to devise a strategy because commitments are not costless. As discussed in Manzano and Terosa (1997), offering too little will encounter lesser political resistance, but would not be very conducive to fostering competitiveness among local industries, nor would it eliminate the hidden cost of protection on society. Committing ‘too much,’ on the other hand, would be difficult to push through politically, given the social cost of restructuring that is bound to happen as a result of full market opening. This is particularly true in the Philippine setting in the light of the institutional and physical infrastructure constraints. Therefore, a balance ought to be struck on the degree of commitments in the IAP. Hence the need for an IAP enhancement strategy.

The strategy proposed in this paper is twofold. The first step is to identify the areas where the Philippine IAP is deemed deficient relative to the APEC average and bring the Philippine commitment at least at the level of IAP average. If the level of the Philippine IAP commitments in a certain area is above the APEC average, then the suggested enhancement can be made to bring the Philippines closer to or on a par with the higher-ranked countries. It is important that the Philippine IAP, even in areas where it exhibits above APEC average rating, continually makes improvements, no matter how little, because the APEC average levels will progress through time. As such, to keep in step with the liberalization of APEC, the Philippines need to continually improve its IAP. Priority, however, should be accorded to enhancements in the areas where the Philippines commitments are below the APEC average.

The starting point for this exercise would be the ratings of individual economies as well as the APEC average calculated by Yamazawa and Urata (1999). This methodology is not different from the methodology pursued in Manzano and Terosa (1997) to identify points for Philippine IAP enhancement for the 1997 APEC summit in Vancouver.

The second step is to suggest improvements in the IAPs of the other members to bring them up to the level of the enhanced Philippine IAP. This idea of suggesting IAP improvements in other countries can form part of the independent peer review process that APEC Study Centers can offer in support of the APEC process. Furthermore, to derive the maximum economic benefits from liberalization, all economies should open up their markets at the same time. Failure to do so would create incentives for some economies to backload (Petri, 1997) or free-ride upon the market opening efforts of liberalizing economies. It is thus more beneficial for the Philippines to embark on a voluntary liberalization track through an enhanced IAP, at the same time encourage the rest of APEC to match or improve their levels of commitments consistent with the spirit of concerted unilateral liberalization. This is potentially a channel for the peer review mechanism to work.
The implication of second-stage approach is that the Philippine IAP becomes the benchmark for the IAP enhancement process of the other APEC members. Obviously, the IAP improvements for other economies will depend on their current IAPs relative to that of the Philippines. In devising the suggested improvements in the IAP of the other economies, the following procedures were applied depending on the initial ratings. The menu of cases and the corresponding actions are enumerated as follows:

a) If both the Philippine IAP and the member economy IAP are below the APEC average, the suggested enhancements would constitute those that would bring the other countries close to or abreast with the APEC average. In addition, the features found in the Philippine IAP not found in other IAPs could be raised as points for enhancement of other economies.

b) If the Philippine IAP is below the APEC average while those of other members are above, then the suggested enhancement would constitute features found in the Philippine IAP not found in the IAP of others.

c) If the Philippine IAP is above the average, and the other members’ are below the average, then the suggested improvements would include adding features from the Philippine IAP not found in other countries’ versions to the member countries’ IAPs, as well as add provisions that would bring the other members closer to the APEC average.

d) If both the Philippine IAP and the IAPs of the other members are above the APEC average, then the suggested improvements would constitute those features found in the Philippine IAP but not found in the IAPs of the other members.

V. Recommendations for enhancing the 1999 IAPs

The paper proposes two sets of recommendations — one directed to enhance the Philippine IAP and the other directed to enhance the IAPs of the other member economies. The recommendations are organized according to the areas identified in the Osaka Action Agenda (tariffs, nontariff measures, services, investments, rules of origin, etc). For example, under the heading of tariffs, the ratings and relative position of the Philippine IAP, which are taken from Yamazawa and Urata (1999), are presented. Thereafter, a number of recommendations are proposed to enhance the Philippine IAP as well as the IAPs of the rest of the member economies. Because the bulk of the commitments in the 1999 IAPs are mostly in the short- and medium-term timeframes, the recommendations likewise are in the aforementioned timeframes.

The set of recommendations to improve the Philippine IAP took into account the IAPs of the rest of the APEC members. As mentioned earlier, the object of the recommendations is to bring the commitments of the Philippines in all areas on a par with the APEC average at the minimum. Note that this set of recommendations
suggests improvements even in areas where the Philippines has already been rated to be above the APEC average.

On the other hand, the recommendations addressed to other APEC members, represents the minimum necessary for their IAPs to match the ratings of the Philippine IAP. Of course, there are many areas where the ratings of the IAPs of the other APEC economies already exceed those of the Philippines. As discussed previously, for these cases, only the elements found in the Philippine but not found in the IAPs of the other members are included in the recommendations. In this manner, incentives for free-riding on the liberalizing efforts of the Philippines are reduced.

1. TARIFFS

<table>
<thead>
<tr>
<th>SUMMARY OF RATINGS³</th>
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<tbody>
<tr>
<td>PHILIPPINES</td>
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<tr>
<td>APEC AVERAGE</td>
</tr>
<tr>
<td>ECONOMIES RANKED HIGHER THAN THE PHILIPPINES</td>
</tr>
<tr>
<td>Australia (85), Brunei (85), Canada (80), Hong Kong (95), Japan (80), Korea (75), Malaysia (80), New Zealand (90), Singapore (95), Chinese Taipei (70), USA (85)</td>
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<tr>
<td>ECONOMIES WITH THE SAME RANKING AS THE PHILIPPINES</td>
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<tr>
<td>Indonesia (65)</td>
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<tr>
<td>ECONOMIES RANKED LOWER THAN THE PHILIPPINES</td>
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<tr>
<td>Chile (50), China (40), Mexico (35), Papua New Guinea (25)</td>
</tr>
</tbody>
</table>

A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Provide updates on the progressive reduction of applied tariffs in line with the Tariff Reform Program
b) Report on the status of the progressive elimination of tariffs on information Technology products
c) Provide updates on the status of the gradual expansion of minimum access volumes According to WTO commitments

³ The ratings were taken from Yamazawa and Urata (1999)
d) Provide regular updates of tariff notification
e) Participate in APEC EVSL initiatives

B. RECOMMENDATIONS TO ENHANCE OTHER IAP’S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (85)
   a) Provide updates on the results of the review of nuisance tariffs
   b) Provide updates on the results of the review of post-2000 0-5% general tariff level
   c) Provide updates on the results of the review of post-2005 tariffs on textiles, clothing, and footwear
   d) Regularly update APEC Tariff database
   e) Participate in APEC EVSL Initiatives

2. Brunei (85)
   a) Review the further reduction of tariffs for items like apparel and clothing, electrical home appliances, gems and jewelry, and furniture
   b) Provide updates on the review of the number of total tariff lines to be bound at 5%
   c) Explicitly state the items which are not bound under Brunei Darussalam’s WTO commitments which falls under Article XX
   d) Regularly update APEC Tariff database
   e) Participate in APEC EVSL initiatives

3. Canada (80)
   a) Review 10-year phase-in of tariff reductions for paper and paper products, steel, textile, and clothing
   b) Regularly update APEC Tariff database

4. Chile (50)
   a) Provide the progressive time schedule for the reduction of tariffs on most imports by the year 2010
   b) Progressively reduce general tariff rate to single digit level
   c) Regularly update APEC Tariff database
   d) Participate in APEC EVSL initiatives

5. China (40)
   a) Provide updates on actions taken to reduce simple average level tariff to around 15% by 2000
b) Provide updates on study of specific products and implementation of steps for tariff reduction
c) Regularly update APEC Tariff database
d) Participate in APEC EVSL initiatives

6. Hong Kong (95)
   a) Accelerate binding of tariffs at zero in the medium- and long-terms
   b) Participate actively in APEC EVSL initiatives
   c) Implement tariff elements of all sectoral proposals on an autonomous basis

7. Indonesia (65)
   a) Progressively reduce applied tariff to single digit level
   b) Regularly update APEC Tariff database
   c) Participate in APEC EVSL initiatives

8. Japan (80)
   a) Regularly update APEC Tariff database
   b) Participate in the APEC EVSL initiatives

9. Korea (75)
   a) Provide the schedule for the elimination of tariffs for 126 items in ten industrial sectors
   b) Regularly update APEC Tariff database
   c) Participate in APEC EVSL initiatives

10. Malaysia (80)
    a) Review the reduction of tariffs for 250 items with high tariffs
    b) Regularly update APEC Tariff database
    c) Participate in APEC EVSL initiatives

11. Mexico (35)
    a) Progressively reduce average tariff to single digit level
    b) Increase the number of items to be bound at 5%
    c) Regularly update APEC Tariff database
    d) Participate in APEC EVSL initiatives

12. New Zealand (90)
    a) Regularly update APEC Tariff database
    b) Participate in APEC EVSL initiatives

13. Papua New Guinea (25)
    a) Provide updates on the implementation of the tariff reform program
    b) Provide tariff reduction schedule
    c) Regularly update APEC Tariff database
d) Participate in APEC EVSL initiatives

14. Singapore (95)
   a) Participate in APEC EVSL initiatives

15. Chinese Taipei (70)
   a) Regularly update APEC Tariff database
   b) Participate in APEC EVSL initiatives

16. Thailand (45)
   a) Progressively reduce average tariff level to single digit level
   b) Revise tariff concession schedule
   c) Regularly update APEC Tariff database
   d) Participate in APEC EVSL initiatives

17. USA (85)
   a) Regularly update APEC Tariff database

2. NON-TARIFF MEASURES

<table>
<thead>
<tr>
<th>SUMMARY OF RATINGS</th>
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<tbody>
<tr>
<td>PHILIPPINES</td>
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<tr>
<td>ECONOMIES WITH THE SAME RANKING AS THE PHILIPPINES</td>
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<tr>
<td>Thailand (40)</td>
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<tr>
<td>ECONOMIES RANKED LOWER THAN THE PHILIPPINES</td>
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<td>Chinese Taipei (15)</td>
</tr>
</tbody>
</table>

A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Provide updates on the status of the progressive elimination of import licensing requirements under cover of GATT Article XVIII-B.

b) Provide a time frame for the elimination of import licensing requirements
c) Provide regular updates of database in NTMs and list of regulated/prohibited commodities

B. RECOMMENDATIONS TO ENHANCE OTHER IAP’S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (95)
   a) Exchange information with APEC member countries on the status of residual NTM’s
   b) Contribute to database on NTM by updating notifications as maybe necessary

2. Brunei (85)
   a) Provide updates on the identification of NTM’s
   b) Review procedures for import licensing and import permit.

3. Canada (50)
   a) Review and clarify commitments for products with NTM’s.
   b) Exchange information with APEC member countries on the status of residual NTM’s
   c) Contribute to database on NTM by updating notifications as maybe necessary.

4. Chile (60)
   a) Progressively identify and eliminate residual NTM’s before 2010
   b) Exchange information with APEC member countries on the status of residual NTM’s
   c) Contribute to database on NTM by updating notifications as maybe necessary.

5. China (20)
   a) Provide a time frame for reducing NTM’s in certain products.
   b) Exchange information with APEC member countries on the status of residual NTM’s
   c) Contribute to database on NTM by updating notifications as maybe necessary.

6. Hong Kong (95)
   a) Exchange information with APEC member countries on the status of residual NTM’s rendered unnecessary by technological advancement.

7. Indonesia (70)
   a) Provide a time frame for removing remaining NTM’s.
b) Exchange information with APEC member countries on the status of residual NTM’s

c) Contribute to database on NTM by updating notifications as maybe necessary.

8. Japan (50)

a) Provide a time frame for reducing or removing NTM’s for certain products

b) Exchange information with APEC member countries on the status of residual NTM’s

c) Contribute to database on NTM by updating notifications as maybe necessary.

9. Korea (65)

a) Provide updates on the improvement of 54 individual laws which require input certification

b) Exchange information with APEC member countries on the status of residual NTM’s

c) Contribute to database on NTM by updating notifications as maybe necessary

10. Malaysia (70)

a) Review absolute import prohibition for products like cocoa pods, rambutan, pulasan, longan, and manman fruits produced in the Philippines and Indonesia.

b) Relax or abolish some existing NTM’s

c) Exchange information with APEC member countries on the status of residual NTM’s

d) Contribute to database on NTM by updating notifications as maybe necessary

11. Mexico (70)

a) Relax or abolish some existing NTM’s

b) Exchange information with APEC member countries on the status of residual NTM’s

c) Contribute to database on NTM by updating notifications as maybe necessary

12. New Zealand (85)

a) Relax or abolish some existing NTM’s

b) Exchange information with APEC member countries on the status of residual NTM’s

c) Contribute to database on NTM by updating notifications as maybe necessary

13. Papua New Guinea (60)
a) Provide a time frame for reducing NTM's.

14. Singapore (95)
   a) Report results of review of NTM's in the light of technical, medical, and other advances

15. Chinese Taipei (15)
   a) Expand the coverage of NTM's to be eliminated after accession to the WTO

16. Thailand (40)
   a) Updates on the identification, relaxation, or removal of NTM's
   b) Relax or remove NTM's on products under licensing
   c) Exchange information with APEC member countries on the status of residual NTM's
   d) Contribute to database on NTM by updating notifications as maybe necessary.

17. USA (60)
   a) Relax or remove import permits required for some products.
   b) Exchange information with APEC member countries on the status of residual NTM's
   c) Contribute to database on NTM by updating notifications as maybe necessary.

3. SERVICES

<table>
<thead>
<tr>
<th>SUMMARY OF RATINGS</th>
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</tbody>
</table>

A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP APEC AVERAGE LEVEL OR HIGHER

a) For Telecommunications
-Provide updates on the following:
  i) promulgation of rules, regulations, and guidelines to further allow the market to grow and operate efficiently
  ii) privatization of government telecommunication facilities
  iii) exemption of specific telecommunications service from rate or tariff requirement
  iv) entry of new service providers

b) For Transport
- Provide updates on nationality requirement of auxiliary maritime services

c) For Energy (Electricity)
- Provide updates on the Omnibus Bill on electricity

d) For Tourism
- Provide updates on the review of laws on tourism movement and investment

e) For Distribution
- Provide updates on the amendments to RA 1180 (to allow foreigners to engage in retail trade)

f) For Financial Services
- Provide updates on the following:
  i) foreign equity participation in investment banks and investment companies
  ii) restrictions on foreign membership in Board of Directors of investment companies

B. RECOMMENDATIONS TO ENHANCE OTHER IAP'S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (54)
   a) For Business Services
      - Provide updates on the following:
        i) the adoption of model uniform legislation on practice of foreign law by foreign lawyers
        ii) facilitation of mutual recognition of engineering qualifications and development of best practices in the region.
        iii) development of mutual exemption framework for engineers

   b) For Communication Services
      - Provide updates on the results of the review of further changes in the postal market in 2002.

   c) For Financial Services
      - Pursue vigorously the schedule of commitments which includes GATS restrictive measures

   a) For Maritime Services
      - Provide updates on the following:
i) review of the Navigation Act of 1912 to bring it into line with practices relevant to the operation of a modern and efficient shipping industry

ii) review of permit and licensing systems applicable to ships engaged in coasting trade

iii) amendments to the Shipping Registration Act of 1981 to improve efficiency, transparency, and responsiveness towards industry.

iv) review of the application of anti-monopoly provision of the Trade Services Act

b) For Air Transport Services
   -Provide updates on the following:
     i) progressive liberalization of access to the Australian aviation market
     ii) review of aviation safety requirements
     iii) introduction of competition to Airservice Australia
   -Negotiate harmonization of standards and practices with APEC members on a bilateral basis

2. Brunei (13)
   a) For Air Transport Services
      -Pursue commitments under GATS more vigorously
   b) Communication Services
      -Provide updates on the privatization and liberalization of telecommunications services

   c) Tourism
      -Signify commitments being reviewed or planned

3. Canada (57)
   a) Provide updates on the results of the review of remaining market access and national treatment restrictions on trade in the following services:

      i) Professional services
         Accounting, Auditing, and Bookkeeping Services
         Architectural Services
         Engineering Services
         Integrated Engineering Services
         Urban Planning and Landscape Architectural Services

      ii) Communication Services
         Telecommunication Services
         Construction and Related Engineering Services

      iii) Distribution Services

      iv) Financial Services

      v) Tourism and Related Services
vi) Transport Services (air transport services and services auxiliary to modes of transport)

4. Chile (33)
   a) Provide updates on the results of the review of market access restrictions, quantitative restrictions, or national treatment limitations in the following services:
      i) Professional Services
      ii) Telecommunication Services
      iii) Construction and Related Engineering Services
      iv) Educational Services
      v) Environmental Services
      vi) Health-related and Social Services
      vii) Recreational, Cultural, and Sporting Services
      viii) Transport Services

5. China (9)
   a) Progressively reduce market access restrictions, conditions, and regulations in the following services:
      i) Financial Services
      ii) Commercial Retailing
      iii) Energy
      iv) Transportation Services (maritime transport)
      v) Telecommunications Services
      vi) Legal Services

6. Hong Kong (55)
   a) Provide updates on the results of the review of market access restrictions and exceptions to national treatment in the following services:
      i) Legal Services
      ii) Business Services (auditing services, professional services such as pharmacists, and security services)
      iii) Communication Services (particularly in audiovisual services (such as radio services) and telecommunications, which needs to establish a framework for effective competition and to streamline the licensing framework to cope with developments in the telecommunications industry)
      iv) Distribution Services (wholesale services)
      v) Financial Services (particularly banking services and securities and futures trading)
   b) Signify commitments being planned or reviewed in the following services:
      i) Construction and Related Engineering Services
      ii) Educational Services
iii) Environmental Services  
iv) Health-Related and Social Services  
v) Tourism and Travel Related Services  
vi) Recreational, Cultural, and Sporting Services

7. Indonesia (22)  
a) Expand the scope of relaxing or eliminating the discriminatory treatment in the requirements of paid-up capital in the financial services sector (bank and non-bank)  
b) Provide updates on the results of the review of market access and national treatment limitations in the following services:  
i) Banking Services  
ii) Telecommunications Services  
iii) Industrial Services  
iv) Tourism  
v) Transportation services (air service, maritime transport services)

8. Japan (64)  
a) Provide updates on the results of amendments to the Telecommunications Business Law  
b) Provide updates on the results of the government study on foreign capital participation in the cable television business  
c) Provide updates on the completion of the Financial System Reform by year 2001.  
d) Clearly indicate when to expand the availability of visas for group tours to all APEC members  
e) Provide updates on the results of the review of stockpiling and emergency measures (energy services)  
f) Provide updates on the results of the review of successful and efficient oil exploration measures

9. Korea (41)  
a) Provide updates on the results of the review of market access restrictions and exceptions to national treatment in the following services:  
i) Telecommunications Services  
ii) Energy Services  
iii) Legal Services  
iv) Business Services  
b) Provide updates on the cargo information system to automate transportation, storage, loading, arrival, and departure procedures  
c) Provide updates on the comprehensive liberalization of the oil industry  
d) Identify plan of action for helping alleviate impediments to tourism development in the region  
e) Clarify distribution services to be liberalized
f) Review monetary contributions to the Construction Mutual Aid Association when acquiring permits for general construction works

g) Reduce restrictions in the investment environment in education

10. Malaysia (27)
   a) Provide updates on the results of the review of market access restrictions and exceptions to the national treatment in the following services:
      i) Financial Services (commercial banks, insurance companies, financial leasing, fund management companies)
      ii) Professional/Business Services (Architectural and Engineering Services, Integrated Engineering Services, Rental/Leasing Services related to ships, aircraft, construction, and mining equipment, GHQ Services, Medical Specialty, Translation and Interpretation Services, Computer and Related Services, Management Consulting, Research and Development, Advertising, Convention and Exhibition Services)
      iii) Transport Services (maritime service area and cabotage policy)
      iv) Telecommunication Services
      v) Other Services (Private Hospital Services, Hotel, Tourist and Restaurant Services, Sports Events, Management Services, International Maritime Transport Services)

12) Mexico (9)
    a) Clearly indicate commitments in the following services:
       i) Telecommunication Services
       ii) Audiovisual Services
       iii) Postal Services
       iv) Private Educational Services
       v) Transportation Services
       vi) Financial Services
    b) Provide updates on the review of market access for professional/business services and accounting services

13) New Zealand (69)
   a) Provide updates on market access and national treatment for maritime and telecommunications market
   b) Open air services to additional countries

14) Papua New Guinea (6)
    a) Implement WTO requirements in the services sector especially the General Agreement on Trade in Services (GATS)
    b) Market access improvements in telecommunication services
    c) Provide strong and clear commitments for other services sectors

15) Singapore (35)
a) Provide updates on the review of market access restrictions for accounting services, taxation, medical services, dental services, veterinary services, architectural services, engineering services, telecommunications services, and financial services
b) Clarify market access restrictions for telecommunications services
c) Review opening up of domestic banking and securities sectors to greater foreign participation

16) Taipei (45)
a) Provide updates on the review of market access restrictions for advertising, market research and public opinion polling, management consultancy and related services, technical testing and analysis, consulting services incidental to agriculture, animal husbandry, forestry, engineering-related scientific and technical consulting, maintenance and repair of equipment, aircraft and other transport equipment, photographic services, packing, and other business services
b) Review market access restrictions for banking
c) Review numerical restriction imposed on audio-visual services
d) Review amount that foreign investor can invest in securities

17) Thailand (26)
a) Progressive reduction of market access restrictions for telecommunication services
b) Review market access restrictions for maritime services
c) Updates on the privatization of maritime post services and facilities
d) Provide updates on the review of market access restrictions for air transport services, road transport services, financial services (securities and insurance), and energy (natural gas market and electricity)

18) USA (84)
a) Clarify state-specific restrictions for real estate services, placement and supply services of personnel, construction and related engineering services, financial services (insurance), health-related and social services, tourism and travel-related services, and recreational services.
b) Expand cargo-sharing agreement with other countries
4. INVESTMENTS

SUMMARY OF RATINGS
PHILIPPINES 62 (below APEC average)
APEC AVERAGE 67

ECONOMIES RANKED HIGHER THAN THE PHILIPPINES
    Australia (63), Canada (78), Hong Kong (85), Japan (80), Korea (65),
    Malaysia (68), Mexico (68), New Zealand (75), Singapore (77), Chinese
    Taipei (67),
    USA (80)

ECONOMIES WITH THE SAME RANKING AS THE PHILIPPINES
    Thailand (62)

ECONOMIES RANKED LOWER THAN THE PHILIPPINES
    Brunei (43), Chile (59), China (58), Indonesia (54), Papua New Guinea (56)

A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Provide updates on efforts to pursue bilateral investment protection agreements with APEC economies
b) Provide updates on results of efforts to integrate all government investment promotion activities under the Board of Investments
c) Update contribution to the APEC guidebook on investment regimes
d) Update contribution to the APEC software network on investment regimes and opportunities
e) Participate in APEC investment review mechanisms
f) Contribute to technical assistance and cooperative activities which will facilitate intra-APEC investments

B. RECOMMENDATIONS TO ENHANCE OTHER IAP'S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (63)
   a) Provide updates on the review of foreign investment policy which takes into account work being undertaken in the OECD on a multi-lateral framework of rules for investment.
b) Update contributions to the APEC guidebook on investment regimes
c) Update contributions to the APEC software network on investment regulations and investment opportunities
d) Provide updates on the review screening system in relation to foreign investments in non-sensitive sectors
e) Provide updates on the review specified restrictions in relation to investments in sensitive sectors such as media, telecommunications, civil aviation, and real estate
f) Participate in APEC investment review mechanisms

2. Brunei (43)
a) Provide updates on the review of incentive package for foreign investments
b) Provide updates on the possibility of reducing and eliminating restrictive investment measures towards further liberalization
c) Update contribution to the APEC software network on investment regimes and opportunities

3. Canada (85)
a) Review possibility of establishing foreign investment promotion and protection with more countries
b) Provide updates on existing domestic legislations that have to be amended to bring them into conformity with international obligations
c) Update contribution to the APEC guidebook on investment regimes
d) Update contribution to the APEC software network on investment regulations and investment opportunities
e) Participate in APEC investment review mechanisms

4. Chile (59)
a) Establish investment protection and promotion agreements with more countries including the Philippines
b) Clarify investment regimes in the fisheries, land transport, maritime transport, Communication, and audiovisual sectors
c) Provide updates on the review of restrictions on foreign investment under APEC’s non-binding investment principles
d) Provide updates on the review of the high degree of protection offered by the Chilean legal system
e) Update contribution to the APEC guidebook on investment regimes
f) Update contribution to the APEC software network on investment regimes and opportunities

5. China (58)
a) Provide updates on the expansion of sectors for foreign investment such as finance, insurance, and commercial retailing enterprises
b) Provide updates on revisions of major foreign-invested enterprise laws
c) Review possibility of establishing investment promotion and protection agreements
d) Update contribution to the APEC guidebook on investment regimes
e) Update contribution to the APEC software network on investment regimes and opportunities
f) Participate in APEC investment review mechanisms

6. Hong Kong (85)
a) Provide updates on the review of investment regime
b) Update contribution to the APEC guidebook on investment regimes
c) Update contribution to the APEC software network on investment regimes and opportunities

7. Indonesia (54)
   a) Provide updates on the status of bilateral agreements with the Philippines
   b) Simplify regulations for industrial operation within industrial zones
   c) Review the possibility of allowing foreign trade offices in regional centers
   d) Review the possibility of allowing local governments to issue investment licenses
   e) Provide updates on the review of investment regimes in the light of APEC Non-binding investment principles
   f) Provide updates on efforts to improve business and investment climate
   g) Update contribution to the APEC guidebook on investment regimes
   h) Update contribution to the APEC software network on investment regimes and opportunities

8. Japan (80)
   a) Provide updates on the deregulation of the foreign exchange control law
   b) Provide updates on the treatment of industries relative to national security and order
   c) Review policies on foreign capital participation in the cable TV business
   d) Review policies on the period of stay for foreign company expatriates, visa procedures, and the hiring of Japanese personnel by foreign-affiliated companies

9. Korea (65)
   a) Provide updates on the review of sectors partially restricted to foreign direct investments such as tobacco products and the publishing of books, brochures, musical books and other similar publications, newspapers, and periodicals.
   b) Update contribution to the APEC guidebook on investment regimes
   c) Update contribution to the APEC software network on investment regimes and opportunities
   d) Participate in APEC investment review mechanisms

10. Malaysia (68)
    a) Phase-out local content requirement for certain investments
    b) Provide updates on efforts to improve and expand the network of bilateral double taxation agreements
    c) Provide updates on efforts to expand the network of bilateral investment agreements
    d) Participate in APEC investment review mechanisms

11. Mexico (68)
a) Provide updates on efforts to expand bilateral investment treaties with APEC-member countries
b) Provide updates on the review of investment policies in order to maintain an open investment regime.
c) Update contribution to the APEC software network on investment regimes and opportunities

12. New Zealand (75)
   a) Provide updates on the review of existing investment regime
   b) Update contribution to the APEC guidebook on investment regime
   c) Update contribution to the APEC software network on investment regimes and Opportunities
   d) Participate in APEC investment review mechanisms

13. Papua New Guinea (56)
   a) Provide updates on the negotiation of double taxation agreements particularly with the Philippines
   b) Provide updates the harmonization of tax laws with other APEC-member countries
   c) Provide updates on negotiations of Investment Promotion Agreements with other APEC-member countries
   d) Update contributions to the APEC software network on investment regimes and opportunities
   e) Participate in APEC investment review mechanisms

14. Singapore (77)
   a) Review the possibility of establishing investment guarantee agreements with other APEC-member countries such as the Philippines

15. Chinese Taipei (67)
   a) Provide updates on the review and revision of investment-related laws and regulations
   b) Provide updates on agreements for the protection of investments and avoidance of double taxation
   c) Update contribution to the APEC guidebook on investment regimes
   d) Update contribution to the APEC software network on investment regimes and opportunities
   e) Participate in APEC investment review mechanisms

16. Thailand (62)
   a) Provide updates on amendments to Alien Business Law
   b) Provide updates on double taxation avoidance treaties
   c) Provide updates on investment protection agreements with APEC-member countries
   d) Update contribution to the APEC guidebook on investment regimes
e) Update contribution to the APEC software network on investment regimes and opportunities
f) Participate in APEC investment review mechanisms

17. USA (80)
   a) Provide updates on bilateral investment treaties and other similar treaties
   b) Update contribution to the APEC guidebook on investment regimes
   c) Update contribution to the APEC software network on investment regimes and opportunities
   d) Participate in APEC investment review mechanisms
5. STANDARDS AND CONFORMANCE

SUMMARY OF RATINGS

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<tr>
<td>APEC AVERAGE</td>
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</table>

ECONOMIES RANKED HIGHER THAN THE PHILIPPINES

Australia (77), Canada (73), Hong Kong (74), Japan (82), Korea (78), Malaysia (76), New Zealand (83), Singapore (75), USA (80)

ECONOMIES RANKED LOWER THAN THE PHILIPPINES

Brunei (60), Chile (64), China (65), Indonesia (70), Mexico (60), Papua New Guinea (50), Chinese Taipei (68), Thailand (57)

A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Establish and maintain a database on technical information accessible to APEC members
b) Establish on-line exchange information systems on PNS available to NSB clients
c) Provide updates on the review and alignment of existing PNS for priority products with international standards, including those in on electrical and electronic equipment
d) Recognize test results from accredited laboratories for imported products
e) Establish MRA for product classification and factory inspection
f) Establish MRA for metrology

B. RECOMMENDATIONS TO ENHANCE OTHER IAP’S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (77)
   a) Establish and maintain a database on technical information accessible to APEC members
   b) Establish on-line exchange information systems on PNS available to NSB clients
   c) Establish MRA for product certification and factory inspection

2. Brunei (60)
   a) Participate in MRA’s with other economies on laboratory accreditation schemes
b) Establish and maintain a database on technical information accessible to APEC members

c) Establish on-line exchange information systems on PNS available to NSB clients

d) Establish MRA for metrology with other APEC economies

e) Establish MRA for food and drug testing with other APEC economies

f) Provide updates on progress made by technical committees on alignment of existing standards with international standards

3. Canada (73)
a) Establish and maintain a database on technical information accessible to APEC members

b) Establish on-line exchange information systems on PNS available to NSB clients

c) Establish MRA for product certification and factory inspection

d) Establish MRA for metrology with other APEC economies

e) Establish MRA for food and drug testing with other APEC economies

4. Chile (64)
a) Establish and maintain a database on technical information accessible to APEC members

b) Establish on-line exchange information systems on PNS available to NSB clients

c) Participate in APEC food MRA and electrical MRA

d) Establish MRA for metrology with other APEC economies

e) Provide updates on the development of the Chilean Accreditation System

f) Provide a list of products to be given priority for alignment of the relative standards or technical regulations with international standards

5. China (65)
a) Establish and maintain a database on technical information accessible to APEC members

b) Establish on-line exchange information systems on PNS available to NSB clients

c) Establish MRA for product certification and factory inspection

d) Establish MRA/Exchange on Information on Toy Safety

e) Establish MRA for food and food products

f) Recognize test results from accredited laboratories for imported products

g) Establish MRA for metrology with other APEC economies

h) Establish MRA for food and drug testing

6. Hong Kong (74)
a) Establish and maintain a database on technical information accessible to APEC members
b) Establish on-line exchange information systems on PNS available to NSB clients
c) Establish MRA for product certification and factory inspection
d) Establish MRA for food and food products
e) Establish MRA for metrology
f) Establish MRA for food and drug testing

7. Indonesia (70)
   a) Establish on-line exchange systems on PNS available to NSB clients
   b) Align standards on electric, electronics, and food labeling
c) Establish MRA for food and food products
d) Establish MRA for product classification and factory inspection
e) Establish MRA for metrology
f) Establish MRA for food and drug testing

8. Japan (82)
   a) Establish and maintain a database on technical information accessible to APEC members
   b) Establish on-line exchange information systems on PNS available to NSB clients
c) Establish MRA for product classification and factory inspection
d) Establish MRA for toy products
e) Establish MRA for food and food products
f) Establish MRA metrology
g) Establish MRA for food and drug testing
h) Recognize test results from accredited laboratories for imported products

9. Korea (78)
   a) Establish and maintain a database on technical information accessible to APEC members
   b) Establish on-line exchange information system on PNS available to NSB clients
c) Establish MRA for product classification and factory inspection
d) Establish MRA for toy products
e) Establish MRA for food and food products
f) Establish MRA for metrology
g) Establish MRA for food and drug testing
h) Recognize test results from accredited laboratories for imported products

10. Malaysia (76)
    a) Establish and maintain a database on technical information accessible to APEC members
    b) Establish on-line exchange information systems on PNS available to NSB clients
c) Participate in APEC MRA on Food
d) Participate in exchange of information on toy safety
11. Mexico (60)
   a) Establish and maintain a database on technical information accessible to APEC members
   b) Establish on-line exchange information systems on PNS available to NSB clients
   c) Provide updates on review of domestic standards and technical regulations
   d) Establish MRA with APEC member countries

12. New Zealand (83)
   a) Establish and maintain a database on technical information accessible to APEC members
   b) Establish on-line exchange systems on PNS available to NSB clients
   c) Mutual recognition of conformity assessment
   d) Contribute to technical infrastructure development

13. Papua New Guinea (50)
   a) Establish and maintain a database on technical information accessible to APEC members
   b) Establish on-line exchange systems on PNS available to NSB clients
   c) Provide updates on the alignment of national standards with international standards
   d) Adoption of international standards in more products
   e) Provide updates on the development of accreditation and certification of regulatory authorities, exporters, and testing authorities to ISO
   f) Provide updates on the development of national standard systems
   g) Provide updates on the development of metrology systems

14. Singapore (75)
   a) Establish and maintain a database on technical information accessible to APEC members
   b) Establish on-line exchange systems on PNS available to NSB clients
   c) Establish MRA on toy safety
   d) Establish MRA on metrology
   e) Establish MRA on food and drug testing

15. Chinese Taipei (68)
   a) Establish and maintain a database on technical information accessible to APEC members
   b) Establish on-line exchange systems on PNS available to NSB clients
   c) Establish MRA on toy safety
   d) Establish MRA on food and food products
   e) Establish MRA for metrology
   f) Establish MRA for food and drug testing
   g) Establish MRA on product classification and factory inspection
16. Thailand (57)
   a) Provide updates on transparency measures and adoption of international standards
   b) Establish MRA on product certification and factory inspection
   c) Establish MRA for exchange of information on toy safety
   d) Establish MRA for food and food products
   e) Establish MRA for metrology
   f) Establish MRA for food and drug testing

17. USA (80)
   a) Establish MRA for product certification and factory inspection
   b) Establish MRA for food and food products
   c) Establish MRA for food and drug testing
   d) Establish and maintain a database on technical information accessible to APEC members
   e) Establish on-line exchange systems on PNS available to NSB clients
6. CUSTOMS PROCEDURES

SUMMARY OF RATINGS

<table>
<thead>
<tr>
<th>Country</th>
<th>Rating</th>
<th>Notes</th>
</tr>
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<tbody>
<tr>
<td>PHILIPPINES</td>
<td>75</td>
<td>(below APEC average)</td>
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<tr>
<td>APEC AVERAGE</td>
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<tr>
<td>ECONOMIES RANKED HIGHER THAN THE PHILIPPINES</td>
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<td>Australia (92), Canada (96), Japan (92), Korea (83), Mexico (79), New Zealand (83), Singapore (79), USA (83)</td>
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<td>ECONOMIES WITH THE SAME RANKING AS THE PHILIPPINES</td>
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<td>Chile (75), Indonesia (75)</td>
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<td>ECONOMIES RANKED LOWER THAN THE PHILIPPINES</td>
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<td>Brunei (54), China (67), Hong Kong (70), Malaysia (71), Papua New Guinea (58), Chinese Taipei (71), Thailand (67)</td>
</tr>
</tbody>
</table>

A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Provide updates on the simplification and harmonization of customs procedures through the advance electronic manifest and ASYCUDA++ enhancements
b) Clarify the various measures to be implemented and adopted which will contribute to collective actions
c) Establish a computerized database on customs procedures to make information available to the public

B. RECOMMENDATIONS TO ENHANCE OTHER IAP’S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (92)
   a) Provide updates on actions to simplify and harmonize customs procedures
   b) Provide updates on risk management techniques
   c) Assist other APEC economies in adopting risk management techniques
d) Establish computerized database on customs procedures to make information available to the public

2. Brunei (54)
a) Provide updates on efforts to simplify and harmonize customs procedures
b) Provide updates on pilot computerization project
c) Provide updates on implementation of WTO Valuation Agreement
d) Establish computerized database on customs procedures to make information available to the public

3. Canada (96)
a) Provide updates on the compendium of harmonized trade data elements
b) Provide updates on simplified procedures for SME’s and improve access to information through projects like the Virtual Customs Office
c) Establish computerized database on customs procedures to make information available to the public

4. Chile (75)
a) Provide updates on the simplification of customs-service and special forms to be used for the entry of goods having any customs destination of entry
b) Provide updates on improvement of National Customs Service website (public availability of information)
c) Establish computerized database on customs procedures to make information available to the public

5. China (67)
a) Provide updates on the simplification and harmonization of customs procedures
b) Provide updates on customs review mechanisms
c) Provide updates on the establishment or reform of customs valuation offices
d) Provide updates on national valuation management system

6. Hong Kong (70)
a) Provide updates on the review of the legal framework for the TRIPS border control measures
b) Provide updates on the review of channels for lodging complaints or appeals against customs decisions
c) Provide updates on improving transparency of customs procedures and access to information by the public
d) Adoption of principles of the Kyoto Convention
e) Establish computerized database on customs procedures to make information available to the public

7. Indonesia (75)
a) Implement WTO valuation agreement
b) Provide EDI systems in more customs service offices

8. Japan (92)
a) Provide updates on the improvement of SEA-NACCS and the enhancement of institutionalization of EDI filing for customs procedures
b) Public availability of tariff nomenclature harmonization
c) Establish computerized database on customs procedures to make information available to the public

9. Korea (83)
   a) Provide updates on the alignment of customs procedures with revised Kyoto Convention
   b) Provide updates on the improvement of customs procedures in accordance with SCCP Guiding Principles
   c) Provide updates on the paperless import clearance system
   d) Establish computerized database to make information available to the public

10. Malaysia (71)
    a) Provide updates on the acceleration of the process of harmonization of the customs valuation system with the WTO valuation agreement
    b) Simplify and harmonize customs procedures on the basis of the Kyoto convention
    c) Establish a computerized database to make information available to the public

11. Mexico (79)
    a) Provide updates on the improvement of the automation of the customs system
    b) Provide updates on the improvement and modernization of the infrastructure of customs sites
    c) Establish computerized database on customs procedures to make information available to the public
    d) Accede to the Kyoto Convention
    e) Provide updates on programs to accomplish WCO regulations regarding integrity of customs officials
    f) Provide updates on the development of electronic data exchange system

12. New Zealand (83)
    a) Establish computerized database on customs procedures to make information available to the public
    b) Provide updates on the simplification and harmonization of customs procedures

13. Papua New Guinea (58)
    a) Accede to the Kyoto Convention
    b) Establish computerized database on customs procedures to make information available
    c) Accede to ATA/Istanbul Convention
d) Implement TRIPS for border control

e) Provide updates on clear appeal provisions

f) Provide updates on the improvement and review of Customs Act and regulation

14. Singapore (79)
   a) Accede to the Kyoto Convention
   b) Provide updates on the adoption of UN/EDIFACT standard
   c) Provide updates on the adoption of TRIPS Agreement

15. Chinese-Taipei (71)
   a) Accede to the Kyoto Convention and ATA
   b) Provide updates on the adoption of specific administration and appeal procedures
   c) Provide updates on the forward determination system of tariff classification
   d) Speed up implementation of border control measures in TRIPS Agreement

16. Thailand (67)
   a) Establish computerized database on customs procedures to make information available to the public
   b) Provide updates on the simplification and harmonization of customs procedures
   c) Streamline customs procedures
   d) Accede to the Kyoto convention

17. USA (83)
   a) Establish computerized database on customs procedures to make information available to the public
   b) Provide updates on the introduction of appeal provisions
   c) Provide updates on advance tariff classification ruling system
   d) Provide updates on risk management
   e) Provide updates on facilities for temporary importation
   f) Provide updates on actions taken to adopt the principles of the WTO Agreement on trade-related aspects of IPR with regard to border control
   g) Provide updates on actions taken on the adoption of principles of the WTO Valuation Agreement
7. INTELLECTUAL PROPERTY RIGHTS

SUMMARY OF RATINGS

<table>
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<tr>
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ECONOMIES RANKED HIGHER THAN THE PHILIPPINES
- Australia (90), Canada (90), Hong Kong (75), Japan (90), Korea (75), Malaysia (73), Mexico (70), New Zealand (75), Singapore (73), USA (95)

ECONOMIES WITH THE SAME RANKING AS THE PHILIPPINES
- Chile (65), China (65), Thailand (65)

ECONOMIES RANKED LOWER THAN THE PHILIPPINES
- Brunei (50), Indonesia (50), Papua New Guinea (30), Chinese Taipei (63)

A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Provide updates on the enactment of new laws on the protection of plant Varieties and layout designs of integrated circuits
b) Provide updates on the modernization of the IPR system through administrative Functions, updating of patent documents and science and technology reference materials, and effective research and industry linkages
c) Provide updates on the enhancement of IPR legislation
d) Strengthen and modernize the IPR system
e) Participate and cooperate in IPR training programs

B. RECOMMENDATIONS TO ENHANCE OTHER IAP’S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (90)
   a) Clarify sanctions against commercial dealing with devices designed to defeat technological copyright measures and against intentional tampering with rights, management information electronically attached to copyright material
   b) Provide assistance to members to meet international standards as resources permit
c) Provide updates on changes in legislation and practice to reflect new standards
2. Brunei (50)
   a) Strengthen enforcement of IPRs
   b) Modernize IPR system through automation of administrative functions, updating of patent documents and science and technology reference materials, and effective research and industry linkages
   c) Participate and cooperate in IPR training programs
   d) Provide updates on changes made in response to international trade and new technology
   e) Provide updates on legislation to amend trademarks and patents legislation to comply with the requirements of the TRIPS Agreement

3. Canada (90)
   a) Provide updates on domestic consultations regarding amendments necessary to implement the provisions of the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty
   b) Domestic industry consultation regarding amendments to Copyright Act

4. Chile (65)
   a) Enhance IPR legislation to expedite granting of IPR’s and improve civil and administrative regime for infringements
   b) Modernize IPR system and administration

5. China (65)
   a) Participate and cooperate in IPR training programs
   b) Cooperate in training programs, seminars, and symposia
   c) Modernization of the IPR System and Administration
   d) Creation of civil and administrative regime for infringements

6. Hong Kong (75)
   a) Strengthen and modernize IPR Administration
   b) Creation of civil and administrative regime for infringement
   c) Provide training programs in IPR

7. Indonesia (50)
   a) Provide updates on draft law on Protection of Plant Variety and other new laws on Industrial design, integrated circuits, and undisclosed information
   b) Strengthen and modernize IPR system
   c) Provide IPR training programs
   d) Improve civil and administrative regime for IPR infringements

8. Japan (90)
   a) Participate and cooperate in IPR training programs
   b) Improve administrative and civil regime for infringement
c) Amendment of Copyright Law to increase the amount of fine for copyright infringement

d) Provide updates on amendments to Patent Law

9. Korea (75)
   a) Provide updates on amendments in the Copyright Law
   b) IPR modernization (automation of filing system, examination trial search system, information service system)
   c) Provide updates or amendments to IPR Law reflecting international trends and technology
   d) Improve IPR administration and civil regime for IPR infringements
   e) Participate and cooperate in IPR training programs

10. Malaysia (73)
    a) Provide IPR training programs
    b) Modernization of IPR administration
    c) Provide updates on civil administration procedures and remedies

11. Mexico (70)
    a) Improve civil and administrative regime for infringements
    b) Participate and cooperate in IPR training programs
    c) Modernization of IPR administration

13. New Zealand (75)
    a) Provide updates on reforms relating to patents, trademarks, and designs to be completed or substantially advanced
    b) Participate and cooperate in IPR training programs

14. Papua New Guinea (30)
    a) Provide updates on review of legislation and laws related to the copyright law, patent law, and trademark law
    b) Establish institutional support for legislation and laws
    c) Strengthen enforcement of IPR laws
    d) Strengthen and modernize IPR system and administration

15. Singapore (73)
    a) Participate and cooperate in IPR training programs
    b) Establish IPR enforcement units
    c) Modernization of IPR system and administration
    d) Provide updates on administrative procedures to meet new trends and developments

16. Chinese Taipei (63)
    a) Provide updates on administrative procedures to meet new trends and
Developments
b) Improve civil regime for the infringement of IPR
c) Modernization of IPR system and administration
d) Provide updates on the amendment of trademark laws and related regulations in Compliance with international treaties
e) Provide updates on the completion of patent reviewing guidelines and the enactment of trademark operations

17. Thailand (65)
a) Modernization of the IPR system through automation of administrative functions and updating of patent documents
b) Improve civil and administrative regime for infringements
c) Participate and cooperate in IPR training programs

18. USA (95)
a) Provide updates on the Trademark Law Treaty survey
b) Provide training programs for other members on other aspect of IPR aside from law enforcement and civil administration
8. COMPETITION POLICY

**SUMMARY OF RATINGS**

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**A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER**

a) Provide updates on the review and improvement of competitive policy regime
b) Provide updates on the enactment of anti-trust and anti-monopoly laws
c) Provide updates on the establishment of the Fair Trade Commission
d) Technical training for more advanced competition laws and policies
e) Promote dialogues and exchange of information among member countries to ensure transparency and mutual understanding of national competition laws and policies

**B. RECOMMENDATIONS TO ENHANCE OTHER IAP’S TO PHILIPPINE IAP LEVEL OR HIGHER**

1. Australia (80)
   a) Provide updates on the review of exemptions to the competitive conduct rules
   b) Provide technical and policy development assistance to APEC economies
c) Provide updates on the review of the Prices Surveillance Act of 1983
d) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

2. Brunei (25)
a) Begin legislation regarding competition policy  
b) Provide updates on the review of regulatory frameworks governing industrial sectors  
c) Provide updates on competitive laws  
d) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

3. Canada (90)  
a) Provide updates on amendments made to the Competition Act, specifically those dealing with specific activities  
b) Provide updates on deregulation, privatization initiatives in telecommunications, Transport, energy, postal and financial services  
c) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

4. Chile (70)  
a) Provide updates of draft bill strengthening the National Economic Prosecutor’s Office  
b) Provide updates on Deuce Law No. 18.525  
c) Provide updates on the review of existing competition laws  
d) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

5. China (45)  
a) Provide updates on legislation done on the following laws: anti-monopoly law, legal system, anti-dumping; countervailing; safeguard measures; and dispute mediation  
b) Conduct training programs for those handling competition policy (capability building on human resources)  
c) Strict enforcement of competition laws  
d) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

6. Hong Kong (50)  
a) Provide updates on the review of government practices that deter/enhance competition  
b) Provide updates on measures implemented to strengthen regulatory framework for enhancing competition in the telecommunications industry  
c) Establish competition policy in gas and electricity supply  
d) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

7. Indonesia (20)  
a) Provide updates on competition policy, deregulation, and transparency laws  
b) Conduct training programs for those handling competition policy  
c) Strictly enforce competition laws
d) Provide updates on the review of the competition environment in order to identify areas where policy changes can improve the welfare of its citizens
e) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

8. Japan (90)
a) Enforce Convention on Combating bribery of Foreign Public Officials in International Business Transactions
b) Strengthen and enforce Anti-Monopoly Act
c) Provide information on the Anti-Monopoly Act in English and videos to the private sector outside of Japan
d) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

9. Korea (85)
a) Enforce and strengthen anti-competitive collaborative activities
b) Provide updates on the removal of anti-competitive elements in existing laws and regulations
c) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

10. Malaysia (20)
a) Enhance competitive environment by strengthening further liberalization, deregulation, and privatization laws
b) Legislate and strictly implement competition law
c) Greater commitment to competitive practices
d) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

11. Mexico (75)
a) Strengthen enforcement of competition laws
b) Strengthen legal framework and guidelines for competition policy
c) Greater advocacy role for the Mexico Competition Authority not only domestically but also internationally
d) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

12. New Zealand (70)
a) Strengthen enforcement of competition laws
b) Provide updates on the review of current competition policies
c) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

13. Papua New Guinea (15)
a) Legislate competition law  
b) Greater commitment to competition policy  
c) Enhance competitive environment  
d) Provide updates on the Business Practices Act and National Competitive Policy  
e) Conduct training programs for those handling competition policy  
f) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

14. Singapore (25)  
a) Greater commitment to legislation and enforcement of competition policies  
b) Accelerate privatization efforts in other sectors  
c) Enforce transparency in competition policy  
d) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

15. Taiwan (85)  
a) Provide updates on the revision of the Fair Trade Law and deregulation initiatives  
b) Strengthen legal framework for implementation of competition policies  
c) Provide updates on the APEC Competition Law and Policy Database  
d) Actively encourage participation in the APEC Competition Law and Policy database  
e) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

16. Thailand (50)  
a) Strengthen the legal framework for and implementation of competition policies  
b) Provide updates on the review of competition policies and laws in terms of transparency, competitiveness, and facilitation  
c) Participate in technical training for more advanced competition laws and policies  
d) Amend or pass competition-related laws  
e) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies

17. USA (85)  
a) Establish anti-trust cooperation agreement with more member-countries  
b) Provide updates on the reevaluation of appropriateness of any exceptions to the coverage of the antitrust laws  
c) Actively participate in dialogues and exchange of information among member countries on national competition laws and policies
9. GOVERNMENT PROCUREMENT

SUMMARY OF RATINGS

<table>
<thead>
<tr>
<th>Country</th>
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ECONOMIES RANKED HIGHER THAN THE PHILIPPINES

Australia (63), Brunei (30), Canada (85), Chile (45), China (38), Hong Kong (75), Indonesia (55), Japan (80), Korea (80), Malaysia (35), Mexico (60), New Zealand (63), Singapore (75), Chinese Taipei (68), USA (80)

ECONOMIES RANKED LOWER THAN THE PHILIPPINES

Papua New Guinea (10), Thailand (25)

A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Provide updates on the compilation, development, and availability of a database on government procurement laws, policies, and opportunities
b) Provide updates on the establishment of an inquiry point for public dissemination of government procurement laws, policies, and opportunities
c) Provide updates on the review of procurement policies vis-à-vis WTO Agreement on government procurement and APEC non-binding principles on transparency in government procurement
d) Participate in government procurement policy dialogues and exchanges of information within APEC

B. RECOMMENDATIONS TO ENHANCE OTHER IAP'S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (63)
   a) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities
   b) Actively participate in government procurement policy dialogues and information exchange
   c) Conduct studies on accession to the WTO Agreement on Government
Procurement

2. Brunei (30)
   a) Actively participate in government procurement policy dialogues and information exchange
   b) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities
   c) Provide updates on the review of government tendering procedures with a view to ensuring openness, fairness, and competitiveness of procurement practices

3. Canada (85)
   a) Lead in the development and maintenance of a government procurement information database for all APEC-members
   b) Vigorously promote different elements of transparency in government procurement through training programs and seminars

4. Chile (45)
   a) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities
   b) Actively participate in government procurement policy dialogues and information exchange

5. China (38)
   a) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities
   b) Actively participate in government procurement policy dialogues and information exchange

6. Hong Kong (75)
   a) Provide updates on the review of the consistency of government procurement Systems with nonbinding principles
   b) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities
   c) Actively participate in the development of a set of non-binding principles in government procurement

7. Indonesia (55)
   a) Provide updates on the review of government procurement policies and procedures
   b) Actively participate in government procurement policy dialogues and information exchange
   c) Strengthen implementation of government procurement procedures

8. Japan (80)
a) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities
b) Vigorously promote different elements of transparency in government procurement through training programs and seminars
c) Provide updates on the implementation of measures in the 3-year Deregulation program

9. Korea (80)
   a) Enforcement of regulations related to the regulation of international tendering
   b) Establish an inquiry point for the public dissemination of government procurement laws, policies, and opportunities
   c) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities

10. Malaysia (35)
    a) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities
    b) Hasten the review of procurement policies and procedures
    c) Actively participate in government procurement policy dialogues and information exchange
    d) Clarify government procurement regime
    e) Provide training on government procurement policies and procedures for those responsible for government procurement

11. Mexico (60)
    a) Actively participate in government procurement policy dialogues and information exchange
    b) Strengthen enforcement of government procurement policies and procedures
    c) Provide updates on guidelines to further clarify and simplify government procurement procedures

12. New Zealand (63)
    a) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities
    b) Actively participate in government procurement policy dialogues and information exchange
    c) Establish an inquiry point for the public dissemination of government procurement laws, policies, and opportunities

13. Papua New Guinea (10)
    a) Provide updates on the review of public procurement system within the national and provincial government structure
    b) Provide updates on the guidelines of the government procurement system
14. Singapore (75)
   a) Provide updates on the review of government tendering procedures to maintain efficient, open, fair, and competitive procurement practices
   b) Strengthen enforcement of government procurement policies and procedures
   c) Cooperate in the implementation of training programs and seminars on government procurement policies and procedures

15. Taipei (68)
   a) Provide updates on the reform of the government procurement system to ensure efficient, open, fair, and competitive procurement practices
   b) Strengthen enforcement of government procurement policies and procedures
   c) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities

16. Thailand (25)
   a) Provide updates on the review of procurement practices
   b) Cooperate in the development and maintenance of a database for government procurement laws, policies, and opportunities
   c) Provide an inquiry point for the public dissemination of government procurement laws, policies, and opportunities
   d) Participate in general procurement dialogues and exchange of information
   e) Actively seek accession to WTO Agreement on government procurement

17. USA (80)
   a) Provide updates on the examination of ways to increase transparency and access to information on procurements
   b) Provide updates on exploring multilateral mechanisms for extending non-discriminatory, competitive bidding opportunities to all APEC members
   c) Participate in general procurement dialogues and exchange of information
   d) Conduct training programs on government procurement policies and procedures
10. DEREGULATION

SUMMARY OF RATINGS

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A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Timely publication of laws and regulations to further improve transparency of regulatory regimes
b) Provide updates on measures to further deregulate the domestic regime such as the extension of the application of the condominium law to industrial estates
c) Provide updates on the review and improvement of the regulatory regime

C. RECOMMENDATIONS TO ENHANCE OTHER IAP’S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (80)
   a) Provide updates on the review of domestic regulation
   b) Timely publication of laws and regulations to further improve transparency of regulatory regimes

2. Brunei (35)
a) Adopt, review, and improve market friendly reforms
b) Timely publication of laws and regulations to further improve transparency of regulatory regimes
c) Provide updates on the adoption of market friendly reforms

3. Canada (78)
a) Provide updates on the regulatory review of six sectors, namely, biotechnology, health, food and therapeutic products, mining, automotive and auto parts, forest products, and agriculture
b) Timely publication of laws and regulations to further improve transparency of regulatory regimes

c) Provide updates on the adoption of market friendly reforms

4. Chile (65)
a) Provide updates on the privatization of water and sewage services corporations and ports
b) Provide updates on the review of regulatory frameworks
c) Provide updates on the privatization of telecommunication and energy

5. China (60)
a) Vigorously pursue reforms in administration, agencies, trade and investment, telecommunications, financial sector, professional services, and transportation sector
b) Timely publication of laws and regulations to further improve transparency of regulatory regimes
c) Review regulatory frameworks

6. Hong Kong (85)
a) Implementation of recommendations embodied in studies done on deregulation
b) Timely publication of laws and regulations to further improve transparency of regulatory regimes

7. Indonesia (55)
a) Provide updates on reforms in the banking sector, electric power sector, and privatization of state-owned enterprises
b) Amend the banking law
c) Provide updates on the steps taken to privatize the steel industry, services, shipping lines, and public railways
d) Timely publication of laws and regulations to further improve transparency of regulatory regimes

8. Japan (85)
a) Provide updates on the results of the monitoring of deregulation measures
b) Provide updates on new deregulation challenges and reforms
9. Korea (70)
   a) Timely publication of laws and regulations to further improve the transparency of regulatory regimes
   b) Provide updates on the amendments made on the Maritime Law enforcement regulation
   c) Provide updates on the review of the regulatory framework

10. Malaysia (60)
    a) Timely publication of laws and regulations to further improve the transparency of regulatory regimes
    b) Provide updates on the results of implementation of deregulation measures in financial services, telecommunications, transportation, energy, broadcasting, and higher education services

11. Mexico (75)
    a) Provide updates on the review of legislative and administrative proposals and the development of legislative and administrative proposals
    b) Timely publication of laws and regulations to further improve the transparency of regulatory regimes
    c) Provide updates on the implementation of regulatory measures

12. New Zealand (90)
    a) Provide updates on reforms in the infrastructure and utility sectors
    b) Timely publication of laws and regulations to further improve the transparency of regulatory regimes
    c) Provide training programs on deregulation and related activities

13. Papua New Guinea (60)
    a) Timely publication of laws and regulations to further improve the transparency of regulatory regimes
    b) Provide updates on the review of the regulatory framework
    c) Provide updates on the implementation of regulatory measures

14. Singapore (70)
    a) Timely publication of laws and regulations to further improve the transparency of regulatory regimes
    b) Provide updates on the review of the regulatory framework
    c) Implementation of regulatory measures in major public services such as electricity, gas, telecommunication, local transport, broadcasting, and postal services

15. Chinese Taipei (78)
    a) Provide updates on the implementation of regulatory measures
    b) Provide updates on reforms in finance, insurance, telecommunications, transportation, professional services, and movement of natural persons
c) Provide updates on the liberalization of transportation, telecommunication, financial industry, and business services

16. Thailand (60)
a) Vigorously pursue liberalization measures in transport services, energy, telecommunication, and water supply
b) Timely publication of laws and regulations to further improve the transparency of regulatory regimes
c) Provide updates on the regulatory framework and implementation of regulatory Measures

17. USA (88)
a) Timely publication of laws and regulations to further improve the transparency of regulatory regimes
b) provide updates on the review of the regulatory framework
c) Harmonize transportation regulations with those of other countries
d) Provide training programs on deregulation and other related activities
11. RULES OF ORIGIN

## SUMMARY OF RATINGS

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<td><strong>ECONOMIES WITH THE SAME RANKING AS THE PHILIPPINES</strong></td>
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<td>New Zealand (40), Thailand (40)</td>
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<tr>
<td><strong>ECONOMIES RANKED LOWER THAN THE PHILIPPINES</strong></td>
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<tr>
<td>Malaysia (35), Papua New Guinea (30)</td>
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</tbody>
</table>

### A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Develop a database on rules of origin
c) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
d) Align rules of origin with internationally harmonized rules of origin
e) Ensure that rules of origin are prepared and applied in an impartial, transparent, and neutral manner
f) Provide for a judicial and administrative review of rules of origin
g) Provide updates on the general review of rules of origin
C. RECOMMENDATIONS TO ENHANCE OTHER IAP'S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (75)
   a) Actively participate in seminars and training programs to promote better understanding and full compliance with rules of origin
   b) Develop database on rules of origin
   c) Conduct studies on the implications of preferential and non-preferential rules of origin in the free flow of trade and investment

2. Brunei (45)
   a) Review rules of origin for imports
   b) Participate in seminars and training programs to promote better understanding and full compliance with rules of origin
   c) Develop database of rules of origin
   d) Conduct studies on the implications of preferential and non-preferential rules of origin in the free flow of trade and investment
   e) Ensure that rules of origin are prepared and applied in an impartial and transparent neutral manner
   f) Provide for administrative and judicial review of rules of origin disputes
   g) Align rules of origin with internationally harmonized rules of origin

3. Canada (60)
   a) Actively participate in seminars and training programs to promote better understanding and full compliance with rules of origin
   b) Develop database of rules of origin
   c) Conduct studies on the implications of preferential and non-preferential rules of origin in the free flow of trade and investment

4. Chile (45)
   a) Review rules of origin for non-preferential purposes
   b) Continue to participate in the harmonization of rules of origin within WTO
   c) Participate in seminars and training programs to promote better understanding and full compliance with rules of origin
   d) Develop database on rules of origin
   e) Conduct studies on the implications of preferential and non-preferential rules of origin in the free flow of trade and investments
   f) Provide for administrative and judicial review of rules of origin
   g) Provide updates on the general review of rules of origin

5. China (70)
a) Actively participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Develop a database on rules of origin
c) Conduct studies on the implications of preferential and non-preferential rules of origin in the free flow of trade and investments
d) Review rules of origin for non-preferential purposes

6. Hong Kong (95)
a) Provide updates on the implementation of plans to align rules of origin with Harmonized rules of origin to be adopted by the WTO
b) Develop a database on rules of origin
c) Actively participate in seminars and training programs to promote better understanding and full compliance with rules of origin

7. Indonesia (45)
a) Establish non-preferential rules of origin
b) Participate in seminars and training programs to promote better understanding and full compliance with rules of origin
c) Develop a database on rules of origin
d) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
e) Provide for administrative and judicial review of rules of origin

8. Japan (95)
a) Actively participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Develop a database on rules of origin

9. Korea (80)
a) Actively participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Develop a database on rules of origin

d) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
e) Ensure that rules of origin are prepared and applied in an impartial, transparent, and neutral manner
f) Provide for a judicial and administrative review of rules of origin
g) Provide updates on the general review of rules of origin

10. Malaysia (35)
a) Participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Develop a database on rules of origin
c) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
d) Align rules of origin with internationally harmonized rules of origin
e) Ensure that rules of origin are prepared and applied in an impartial, transparent, and neutral manner
f) Provide for a judicial and administrative review of rules of origin
g) Provide updates on the general review of rules of origin

11. Mexico (75)
a) Actively participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Establish a database on rules of origin
c) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments

12. New Zealand (40)

a) Participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Develop a database on rules of origin
c) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
d) Align rules of origin with internationally harmonized rules of origin
e) Ensure that rules of origin are prepared and applied in an impartial, transparent, and neutral manner
f) Provide for a judicial and administrative review of rules of origin
g) Provide updates on the general review of rules of origin

14. Papua New Guinea (30)

a) Participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Develop a database on rules of origin
c) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
d) Align rules of origin with internationally harmonized rules of origin
e) Ensure that rules of origin are prepared and applied in an impartial, transparent, and neutral manner
f) Provide for a judicial and administrative review of rules of origin
g) Provide updates on the general review of rules of origin

16. Singapore (80)

a) Actively participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
c) Develop a database on rules of origin
d) Provide updates on the general review of rules of origin

16. Chinese Taipei (70)

a) Actively participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
c) Develop a database on rules of origin
d) Provide updates on the general review of rules of origin
17. Thailand (40)
   a) Participate in seminars and training programs to promote better understanding and full compliance with rules of origin
   b) Develop a database on rules of origin
   c) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
   d) Align rules of origin with internationally harmonized rules of origin
   e) Ensure that rules of origin are prepared and applied in an impartial, transparent, and neutral manner
   f) Provide for a judicial and administrative review of rules of origin
   g) Provide updates on the general review of rules of origin

18. USA (45)
   h) Participate in seminars and training programs to promote better understanding and full compliance with rules of origin
   i) Develop a database on rules of origin
   j) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
   k) Align rules of origin with internationally harmonized rules of origin
   l) Ensure that rules of origin are prepared and applied in an impartial, transparent, and neutral manner
   m) Provide for a judicial and administrative review of rules of origin
   n) Provide updates on the general review of rules of origin
12. DISPUTE MEDIATION

SUMMARY OF RATINGS

<table>
<thead>
<tr>
<th>Country</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHILIPPINES</td>
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<tr>
<td>APEC AVERAGE</td>
<td>71</td>
</tr>
</tbody>
</table>

ECONOMIES RANKED HIGHER THAN THE PHILIPPINES
- Australia (85), Japan (83), Korea (84), Singapore (85), Thailand (79)

ECONOMIES WITH THE SAME RANKING AS THE PHILIPPINES
- New Zealand (77)

ECONOMIES RANKED LOWER THAN THE PHILIPPINES
- Brunei (56), Canada (69), Chile (75), China (62), Hong Kong (74), Indonesia (61), Malaysia (73), Mexico (64), Papua New Guinea (45), Chinese Taipei (55), USA (75)

A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Provide updates on the review of existing avenues and procedures for dispute settlement
b) Participate in exploratory discussion on the establishment of an APEC dispute mediation mechanism
c) Explore ways to further enhance the transparency of government laws, regulations, and administrative procedures within the requirements of the WTO
d) Participate in training of personnel engaged in arbitration and related affairs
C. RECOMMENDATIONS TO ENHANCE OTHER IAP’S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (85)
   a) Publicize avenues and procedures for dispute settlement with a view to improving them
   b) Participate in training programs on dispute mediation

2. Brunei (56)
   a) Participate in exploratory discussions on dispute mediation mechanism
   b) Publicize avenues and procedures for dispute settlement with a view to improving them
   c) Accession to ICSID
   d) Participate in training programs on dispute mediation
   e) Review implementation of dispute mediation procedures

3. Canada (69)
   a) Accession to ICSID
   b) Review of implementation of dispute mediation procedures
   c) Participate in training of personnel engaged in arbitration and related affairs

4. Chile (75)
   a) Review implementation of dispute mediation procedures
   b) Participate in training of personnel engaged in arbitration and related affairs
   c) Participate in exploratory discussions on APEC dispute mediation mechanism

5. China (62)
   a) Participate in exploratory discussions on APEC dispute mediation mechanism
   b) Review implementation of dispute mediation procedures
   c) Participate in training of personnel engaged in arbitration and related affairs

6. Hong Kong (74)
   a) Participate in exploratory discussions on APEC dispute mediation mechanism
   b) Participate in training of personnel engaged in arbitration and related affairs

7. Indonesia (61)
   a) Participate in exploratory discussions on APEC dispute mediation mechanism
   b) Settle disputes with APEC partners only as a matter of last recourse under the WTO dispute settlement procedures for issues covered under the WTO
   c) Publicize as appropriate the availability of existing avenues and procedures for dispute settlement
d) Explore ways to further enhance the transparency of government laws, regulations and administrative procedures within the requirements of the WTO

e) Participate in training of personnel engaged in arbitration and related affairs

8. Japan (83)
a) Participate in exploratory discussions on APEC dispute mediation mechanism
b) Review regularly existing avenues and procedures for dispute settlement with a view to improving them
c) Participate in training of personnel engaged in arbitration and related affairs

9. Korea (84)
a) Participate in exploratory discussions on APEC dispute mediation mechanism
b) Review regularly existing avenues and procedures for dispute settlement with a view to improving them
c) Participate in training of personnel engaged in arbitration and related affairs

10. Malaysia (73)
a) Participate in exploratory discussions on APEC dispute mediation mechanism
b) Review regularly existing avenues and procedures for dispute settlement
   c) Publicize as appropriate existing avenues and procedures for dispute settlement

11. Mexico (64)
a) Review regularly existing avenues and procedures for dispute settlement with a view to improving them
b) Publicize regularly existing avenues and procedures for dispute settlement
   c) Work towards ICSID accession
   d) Participate in training of personnel engaged in arbitration and related affairs

12. New Zealand (77)
a) Participate in exploratory discussions on the establishment of an APEC dispute mediation mechanism
b) Review regularly existing avenues and procedures for dispute settlement with a view to improving them
   c) Publicize regularly existing avenues and procedures for dispute settlement
   d) Explore ways to further enhance the transparency of government laws, regulations, and administrative procedures within the requirements of the WTO.

13. Papua New Guinea (45)
a) Participate in exploratory discussion on the establishment of an APEC dispute mediation mechanism
b) Resolve disputes with APEC partners through consultations, mediation, and/or arbitration as appropriate within the APEC dispute mediation mechanism, when established
c) Settle disputes with APEC partners only as a matter of last recourse under the WTO

d) Review regularly existing avenues and procedures for dispute settlement with a view to improving them
e) Explore ways to further enhance the transparency of government laws, regulations, and administrative procedures within the requirements of the WTO

14. Singapore (85)
   a) Participate in training of personnel engaged in arbitration and related affairs

15. Chinese-Taipei (55)
   a) Work towards accession to ICSID and New York Convention
   b) Participate in exploratory discussions on the establishment of an APEC dispute mediation mechanism
   c) Resolve disputes with APEC partners through consultations, mediation and/or arbitration as appropriate within the APEC dispute mediation mechanism, when established
   d) Settle disputes with APEC partners only as a matter of last recourse under the WTO
   e) Review regularly the existing avenues and procedures for dispute settlement with a view to improving them
   f) Explore ways to further enhance the transparency of government laws, regulations, and administrative procedures within the requirements of the WTO

16. Thailand (79)
   a) Participate in training of personnel engaged in arbitration and related affairs

17. USA (75)
   a) Participate in exploratory discussions on the establishment of an APEC dispute mediation mechanism
   b) Resolve disputes with APEC partners through consultations, mediation and/or arbitration as appropriate within the APEC dispute mediation mechanism, when established
   c) Review regularly the existing avenues and procedures for dispute settlement with a view to improving them
   d) Publicize as appropriate the availability of such avenues and procedures
13. MOBILITY OF BUSINESS PEOPLE

SUMMARY OF RATINGS

<table>
<thead>
<tr>
<th>Economy</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines</td>
<td>89</td>
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<tr>
<td>APEC Average</td>
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<tr>
<td>Australia</td>
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<tr>
<td>Canada</td>
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<td>Chile</td>
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<td>China</td>
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<td>Hong Kong</td>
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<td>Indonesia</td>
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<tr>
<td>Japan</td>
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<td>Malaysia</td>
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<tr>
<td>Mexico</td>
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<tr>
<td>New Zealand</td>
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<td>Papua New Guinea</td>
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<tr>
<td>Singapore</td>
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<tr>
<td>Chinese Taipei</td>
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<tr>
<td>Thailand</td>
<td>53</td>
</tr>
<tr>
<td>USA</td>
<td>69</td>
</tr>
</tbody>
</table>

ECONOMIES RANKED HIGHER THAN THE PHILIPPINES

- Australia (92), Korea (90)

ECONOMIES RANKED LOWER THAN THE PHILIPPINES

- Brunei (81), Canada (72), Chile (54), China (46), Hong Kong (78), Indonesia (34), Japan (63), Malaysia (73), Mexico (56), New Zealand (65), Papua New Guinea (47), Singapore (77), Chinese Taipei (71), Thailand (53), USA (69)

A. RECOMMENDATIONS TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

a) Provide updates on the various measures taken to facilitate the entry of business people
b) Provide updates on the specific initiatives to streamline visa processing procedures

C. RECOMMENDATIONS TO ENHANCE OTHER IAP'S TO PHILIPPINE IAP LEVEL OR HIGHER

1. Australia (92)
   a) Periodically review visa requirements and procedures and effect improvements where appropriate
   b) Implement APEC Business Travel Card with Chile, Hong Kong, Korea, and the Philippines

2. Brunei (81)
   a) Extend privilege accorded to visa-holders of countries other than the USA
   b) Take specific actions to streamline visa processing procedures
   c) Increase the number of countries enjoying visa waiver
   d) Implement APEC Business Travel Card with more countries
e) Establish a data base on policies related to the mobility of business people

3. Canada (72)
a) Extend visa privilege to APEC member countries currently not enjoying the privilege
b) Take specific initiatives to streamline visa processing procedures
c) Participate in the APEC Business Travel Card program
d) Establish a data base on policies related to the mobility of business people

4. Chile (54)
a) Take specific initiatives to streamline visa processing procedures
b) Periodically review visa requirements and procedures and effect improvements where appropriate
c) Review possibility of extending multiple entry visa
d) Establish a data base on policies related to the mobility of business people

5. China (46)
a) Provide updates on the review of the possibility of giving multiple entry visa
b) Provide updates on the review of existing visa regulations
c) Establish a data base on policies related to the mobility of business people
d) Participate in multilateral arrangements related to the mobility of business people
e) Take specific initiatives to streamline visa processing procedures
f) Review policies related to the granting of business and multiple entry visas

6. Hong Kong (78)
a) Provide updates on the review of visa arrangements
b) Take specific initiatives of streamlining visa processing procedures
c) Establish a data base on policies related to the mobility of business people

7. Indonesia (34)
a) Review policies related to the granting of business and multiple entry visas
b) Take specific initiatives to streamline existing visa procedures
c) Establish a data base on policies related to the mobility of business people
d) Provide updates on the review of existing visa regulations
e) Participate in multilateral arrangements related to the mobility of business people

8. Japan (63)
a) Provide updates on the streamlining of visa procedures
b) Implement APEC Business Travel Card with more countries
c) Participate in multilateral arrangements related to the mobility of business people
d) Establish a data base on policies related to the mobility of business people
9. Korea (90)
   a) Review possibility of granting multiple entry visa to all APEC member countries
   b) Review possibility of granting visa to Filipino business people travelling to Korea for 15 days or less
   c) Provide updates on the streamlining of visa processing procedures
   d) Establish a data base on policies related to the mobility of business people

10. Malaysia (73)
    a) Provide updates on the review of visa arrangements with other countries
    b) Take specific initiatives to streamline visa processing procedures
    c) Implement APEC Business Travel Card with more countries
    d) Establish a data base on policies related to the mobility of business people
    e) Participate in multilateral arrangements related to the mobility of business people

11. Mexico (56)
    a) Take specific initiatives to streamline visa processing procedures
    b) Implement APEC Business Travel Card with more countries
    c) Review possibility of granting multiple entry visa
    d) Provide updates on the review of the temporary entry of foreign business people

12. New Zealand (65)
    a) Provide updates on the review of border entry measures and visa waiver arrangements
    b) Implement APEC Business Travel Card with more countries
    c) Establish a data base on policies related to the mobility of business people
    d) Review possibility of granting visa waiver arrangements to all APEC member countries

13. Papua New Guinea (47)
    a) Provide updates on the implementation of the review of current legislation to facilitate ease in visa requirements to enhance the mobility of business people in the region
    b) Take specific initiatives to streamline visa processing procedures
    c) Establish a data base on policies related to the mobility of business people

14. Singapore (77)
    a) Take specific initiatives to streamline visa processing procedures
    b) Review possibility of granting visa waiver arrangements to all APEC member countries
    c) Implement APEC Business Travel Card with more countries
    d) Establish a data base on policies related to the mobility of business people
15. Chinese Taipei (71)
   a) Review possibility of granting multiple entry visa
   b) Take specific initiatives to streamline visa processing procedures
   c) Establish a data base on policies related to the mobility of business people
   d) Expand visa-exempt program to more countries

16. Thailand (53)
   a) Provide updates on the review of cross-border measures and amendments on immigration laws
   b) Review possibility of granting visa waiver arrangements to more countries
   c) Review possibility of granting multiple entry visa
   d) Take specific initiatives to streamline visa processing procedures
   e) Implement APEC Business Travel Card with more countries

17. USA (69)
   a) Extend maximum length of validity of business visa to all APEC member countries
   b) Provide updates on efforts to streamline visa processing procedures
   c) Provide updates on the review of terms of entry amendments
   d) Expand INSPASS program
   e) Establish data base on policies related to the mobility of business people
   f) Participate in seminars and conferences on the mobility of business people

C. MEASURES TO ENHANCE PHILIPPINE IAP TO APEC AVERAGE LEVEL OR HIGHER

TARIFF
   a) Provide updates on the progressive reduction of applied tariffs in line with the Tariff Reform Program
   b) Report on the status of the progressive elimination of tariffs on information
Technology products

c) Provide updates on the status of the gradual expansion of minimum access volumes According to WTO commitments
d) Participate in APEC EVSL initiatives

**NON-TARIFF**

a) Provide updates on the status of the progressive elimination of import licensing requirements under cover of GATT Article XVIII-B.
b) Provide a time frame for the elimination of import licensing requirements
c) Provide regular updates of database in NTMs and list of regulated/prohibited commodities

**SERVICE**

a) For Telecommunications
   - Provide updates on the following:
     i) promulgation of rules, regulations, and guidelines to further allow the market to grow and operate efficiently
     ii) privatization of government telecommunication facilities
     iii) exemption of specific telecommunications service from rate or tariff requirement
     iv) entry of new service providers
b) For Transport
   - Provide updates on nationality requirement of auxiliary maritime services
c) For Energy (Electricity)
   - Provide updates on the Omnibus Bill on electricity
d) For Tourism
   - Provide updates on the review of laws on tourism movement and investment
e) For Distribution
   - Provide updates on the amendments to RA 1180 (to allow foreigners to engage in retail trade)
f) For Financial Services
   - Provide updates on the following:
     i) foreign equity participation in investment banks and investment companies
     ii) restrictions on foreign membership in Board of Directors of investment companies

**INVESTMENTS**

a) Provide updates on efforts to pursue bilateral investment protection agreements with APEC economies
b) Provide updates on results of efforts to integrate all government investment promotion activities under the Board of Investments
c) Update contribution to the APEC guidebook on investment regimes
d) Update contribution to the APEC software network on investment regimes and opportunities
e) Participate in APEC investment review mechanisms
f) Contribute to technical assistance and cooperative activities which will facilitate intra-APEC investments

STANDARDS AND CONFORMANCE
a) Establish and maintain a database on technical information accessible to APEC members
b) Establish on-line exchange information systems on PNS available to NSB clients
c) Provide updates on the review and alignment of existing PNS for priority products with international standards, including those in on electrical and electronic equipment
d) Recognize test results from accredited laboratories for imported products
e) Establish MRA for product classification and factory inspection
f) Establish MRA for metrology

CUSTOMERS PROCEDURES
a) Provide updates on the simplification and harmonization of customs procedures through the advance electronic manifest and ASYCUDA++ enhancements
b) Clarify the various measures to be implemented and adopted which will contribute to collective actions
c) Establish a computerized database on customs procedures to make information available to the public

INTELLECTUAL PROPERTY RIGHTS
a) Provide updates on the enactment of new laws on the protection of plant Varieties and layout designs of integrated circuits
b) Provide updates on the modernization of the IPR system through administrative Functions, updating of patent documents and science and technology reference materials, and effective research and industry linkages
c) Provide updates on the enhancement of IPR legislation
d) Strengthen and modernize the IPR system
e) Participate and cooperate in IPR training programs

COMPETITION POLICY
a) Provide updates on the review and improvement of competitive policy regime
b) Provide updates on the enactment of anti-trust and anti-monopoly laws
c) Provide updates on the establishment of the Fair Trade Commission
d) Technical training for more advanced competition laws and policies
e) Promote dialogues and exchange of information among member countries to ensure transparency and mutual understanding of national competition laws and policies
GOVERNMENT PROCUREMENT
a) Provide updates on the compilation, development, and availability of a database on government procurement laws, policies, and opportunities
b) Provide updates on the establishment of an inquiry point for public dissemination of government procurement laws, policies, and opportunities
c) Provide updates on the review of procurement policies vis-à-vis WTO Agreement on government procurement and APEC non-binding principles on transparency in government procurement
d) Participate in government procurement policy dialogues and exchanges of Information within APEC

DEREGULATION
a) Timely publication of laws and regulations to further improve transparency of regulatory regimes
b) Provide updates on measures to further deregulate the domestic regime such as the extension of the application of the condominium law to industrial estates
c) Provide updates on the review and improvement of the regulatory regime

RULES OF ORIGIN
a) Participate in seminars and training programs to promote better understanding and full compliance with rules of origin
b) Develop a database on rules of origin
c) Conduct studies on the implications of preferential and non-preferential rules of origin on the free flow of trade and investments
d) Align rules of origin with internationally harmonized rules of origin
e) Ensure that rules of origin are prepared and applied in an impartial, transparent, and neutral manner
f) Provide for a judicial and administrative review of rules of origin
g) Provide updates on the general review of rules of origin

DISPUTE MEDIATION
a) Provide updates on the review of existing avenues and procedures for dispute settlement
b) Participate in exploratory discussion on the establishment of an APEC dispute mediation mechanism
c) Explore ways to further enhance the transparency of government laws, regulations, and administrative procedures within the requirements of the WTO
d) Participate in training of personnel engaged in arbitration and related affairs
MOBILITY OF BUSINESS PEOPLE

a) Provide updates on the various measures taken to facilitate the entry of business people
b) Provide updates on the specific initiatives to streamline visa processing procedures

VI. Final Remarks

It is in the collective interest of APEC that the Bogor goals are attained. Given the unique characteristics of APEC, reaching this target requires deep cooperation. The IAPs constitute one of the most important instruments to sustain the momentum of the APEC process, especially in the light of recent disturbances that threaten to derail the reform process in many parts of the region, the Philippines included. Thus enhancing the Philippine IAP is an important task if the Philippines were to remain ‘plugged in’ to the APEC process.
Enhancing the IAP, however, is not costless. There are real constraints - in terms of economic resources and political capital — that face policymakers in the process of improving the IAP. Heedful of these realities, this paper proposes a strategy of enhancing the Philippine IAP in a manner that gives fresh impetus to the concerted unilateral liberalization approach that is unique to APEC. It is thus proposed that improvements be made in the Philippine IAP to upgrade it to the level of the APEC average, at the minimum. More importantly, while enhancing the Philippine IAP, other economies are enjoined, through concrete recommendations in their IAPs, to match the level of the Philippine IAP.

Introducing more market-oriented measures in the Philippines at the same time minimizing the free-rider problem through peer pressure serves the Philippine national interest. The challenge, as always, is in the implementation.

References:


