

A Report on the APEC Meetings

18 February 2003

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ltr
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ABAC
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The Asia-Pacific Chemical Industry Coalition (APCIC) met in Chiang Rai, Thailand on 12 February 2003. This meeting was immediately followed by the APEC Chemical Dialogue Steering Group (CDSG). The Terms of Reference require that the Chemical Dialogue must report to Senior Officials, Trade Ministers and Leaders through the APEC Committee on Trade and Investment (CTI). The CTI has just concluded its meeting and has endorsed, without reservations, the report of the CDSG.

Below you will see a summary of the outcomes of the CDSG. You will note that there are a number of recommended actions concerning the EU White Paper. The report of the CDSG must still be approved by the APEC Senior Officials at their meeting on 20 and 21 February, but they are unlikely to make any changes to the recommendation of the CDSG.

make no
changes

During the CTI meeting, Chinese Taipei intervened to note that the impact of the EU White Paper would be wide-spread and would affect all economies. Interestingly, no other delegations quibbled with that assessment.

Following the summary points below, you will see the report of the APCIC and the Report of the CDSG. There are a number of actions called for with respect to the EU White Paper.

Here are the specifics:

write to
speakers
of Commissioners

APEC economies to write to a broader range of EU Commissioners and Member States. We have included this action in Larry Greenwood's (U.S. Ambassador to APEC) bilateral briefing notes for him to raise with individual delegations over the next few days and have provided a copy of the model letter.

TBT
mtg

2. APEC economies working together in the March 18-20 TBT. Barbara Norton and Suzanne Troje, both of USTR, will be taking the outcome of the CDSG to that meeting, and, as noted earlier, drawing on a new version of the US non-paper. In another development, Thailand has proposed re-activating the APEC caucus in Geneva and it was noted that this TBT meeting would be a good first step in that regard.

Barbara doesn't
typically go to the
TBT non-paper
not available as
of 3-10-03

Japan to
raise during
bilats w/ the
EU on 3/10-11

3. APEC economies to express their concern to the EU during senior level bilateral consultations. Mexico and Japan are already taking this route through an existing bilateral consultative mechanism. We will be encouraging other delegations here to do likewise.

raise
in bilats

- raise w/
Trade Ministers
again*
4. APEC Chemical Dialogue to bring the issue again to the attention of Trade Ministers at their June 2-3 meeting in Khon Kaen, Thailand. It is the intent to get even stronger language in the Ministerial statement. While there is the will on the part of all economies to do this, it means we will have our work cut out intersessionally to make it happen. There also is agreement to draw the EU's attention to Ministerial activity through a press release issued by APEC and by the APCIC. The dates for the 2nd Chemical Dialogue have been tentatively set for 22 & 23 May in Khon Kaen.
- respond to
Wallstrom's
re: dicky + comment
period*
5. Chemical Dialogue Co-Chairs to respond to Wallstrom's letter to them seeking clarification of the Internet comment process and requesting continued dialogue with the EU. We will need to address this when we are back in Washington. You'll note that the EU has established a portal for "citizens" comment. URL is: (<http://europa.eu.int/yourvoice>). We are not sure whether this is where they would post the regulations or major issues, whatever they intend to do. But we checked yesterday and while there are a number of draft regulations posted, it doesn't look as though the EU REACH system is there.
- done draft
comment prior
to submission*
6. APEC economies would submit detailed technical comments through the Internet comment process and develop a mechanism for sharing those comments in draft before they were submitted. We expect this could take the form of a secure e-groups and we will need to explore how this could be set up once we are back in Washington.
- ABAC (thru)
hope to get
pre-report to
ministers*
7. Involve ABAC. A letter from the Chemical Dialogue Co-Chairs has been drafted and is with the Dialogue Co-Chairs for review. This will need to be sent as soon as possible. Barbara Norton will share with Florie Liser (USTR - Government co-chair of the Dialogue) in Geneva and has undertaken to get back to us rapidly. Both Barbara and Florie are both scheduled to be in Geneva for the market access meeting this week. We will follow up with the ABAC during their 2 - 5 March meeting in Lima. The goal will be to get the ABAC to include concerns in their pre-report to Ministers in May.
- economic
impact paper*
8. US industry offered to draft a negative economic impact paper, which could be submitted to the EU as APEC collective comments. This would not include detailed technical comments, rather, much like the BDI and CBI studies, focus on the economic impact of the proposed REACH system on the Asia Pacific region. We are committed to a deadline of mid-March to circulate for review and comment by other APEC economies.

As of this writing, aside from the EU White paper, we have one major outstanding issue to be resolved. The Japanese have not indicated their final approval to the APEC Secretariat on the proposed funding from the APEC Budget and

- Utilizing the Orange Book guidelines as much as possible to bring consistency between domestic and international regulations for the transportation of dangerous goods.
- Encourage sub-regional agreements (e.g. ASEAN) to reflect the Orange Book guidelines in their transportation of dangerous goods provisions.

Customs

Responses to the industry and government surveys were inconclusive. It was suggested that between now and the Chemical Dialogue, APCIC members review the Customs provisions of the APEC Trade Facilitation Action Plan and advise the APCIC Secretariat by April 1 of their priorities. The objective would be for the Chemical Dialogue to recommend that APEC address these priorities as a sectoral project. Note was made of plans for ASEAN customs cooperation.

Date and Place of 2003 Chemical Dialogue

Thailand suggested May 22-23 In Khon Kaen.

Official Report of the Chemical Dialogue Steering Group to the CTI

1. The Chemical Dialogue Steering Group (CDSG) met on February 12-13, 2003 in Chiang Rai, Thailand. It was chaired by Barbara Norton of the United States. In attendance were government representatives from Australia; Canada; Chile; China; Hong Kong, China; Indonesia; Korea; Malaysia; Mexico; Philippines; Chinese Taipei; Thailand and the United States. Industry representatives were present from Japan, Malaysia, Mexico, Singapore, Chinese Taipei, Thailand, and the United States. The APEC Secretariat also attended the meeting.
2. The CDSG Chair reviewed outcomes of the Ministerial and Leaders' meetings in Los Cabos. The APEC Secretariat reported on the "PSM Report to the Fora on APEC Developments."
3. The CDSG chair reviewed the status of the Globally Harmonized System, noting that the UN Subcommittee on GHS and its UN parent committee had approved the GHS in December. The Chair also noted that the BMC proposal for a capacity-building workshop on the GHS had been approved by the CTI and was before the BMC. Chinese Taipei, which is hosting the GHS workshop, reported on preparations, and proposed that the workshop be held on 22-24 September, 2003 in order that its results can be reported to Ministers and Leaders in October. Several economies reported on the status of their domestic preparations for GHS implementation. Australia and Japan reported on progress with bilateral road shows on GHS. Australia noted that, due to resource constraints, it might only be

possible to travel to 4 or 5 economies. Australia noted that it needed TILF funds, but in the meantime expressed interest in finding out which economies were interested in being stops in the road show. Japan gave a detailed presentation on its capacity-building activities in the region. The United States reported on its efforts to acquire U.S. Government funding for a mirror GHS workshop to be held in Mexico. Malaysia suggested the possibility of a follow-up APEC workshop on the GHS after the workshop being hosted by Chinese Taipei, and offered to host such a workshop.

4. The CDSG heard a presentation from an industry representative on the key elements and status of the EU White Paper. It was noted that Commissioner Margot Wallstrom had responded to the August 2002 letter from the Chemical Dialogue Co-Chairs, and had indicated that the EU would launch a public Internet consultation on workability once the EU legislative draft has been completed, and would then welcome any comments the APEC members might provide. Five economies (Australia, Malaysia, Mexico, Chinese Taipei, and the United States) noted that their Trade Ministers had written letters to the EU, following up on the letter of the Chemical Dialogue Co-Chairs. Only three – Australia, Chinese Taipei and the United States – had received a reply. Japan also noted that the Japan Chemical Industry Association (JCIA) had written to the EU, and that the Japanese Government had raised concerns about the EU White Paper in bilateral consultations with the EU.
5. A number of ideas and suggestions were put forward for the consideration of member economies for follow-up action on the EU White Paper, both collectively and individually on a voluntary basis. It was noted that economies would need to consult with capitals on work suggested to be undertaken on a collective basis, and that such work would require approval by the Chemical Dialogue, either intersessionally or at its next meeting. These included: APEC economies to write individually to the broad audience of EU Commissioners and Member States; APEC economies would work together at the WTO Committee on Technical Barriers to Trade meeting on March 18-20 to express their concerns; APEC economies would express their concerns individually to the EU during senior-level bilateral consultations; the APEC Chemical Dialogue could bring the EU White Paper to the attention of APEC Trade Ministers for them to consider expressing concern in the June MRT statement; EU attention could be drawn to the MRT statement following the MRT through a press release, issued both by APEC and APCIC; APEC Chemical Dialogue Co-Chairs could respond to Commissioner Wallstrom's letter seeking clarification of the Internet comment process and requesting continued dialogue with the EU; APEC economies would take advantage of the Internet comment period to make comments individually and possibly also collectively; the Chemical Dialogue should develop a mechanism for sharing comments on technical details of the new EU regulations; and ABAC could be used as another vehicle to express concern. With respect to ABAC, it was suggested that the Chemical Dialogue Co-Chairs write to the ABAC in advance of ABAC's March 2-5 meeting in Lima urging ABAC to give

immediate attention (possibly through inclusion in ABAC's pre-report to Ministers) to the effects of the REACH system on SME's in the region. It was noted that the United States is preparing a new version of its "non-paper" which could be used as background for the proposed TBT interventions. The U.S. industry offered to prepare by mid-March a first draft of the negative economic impact on all industries, including SMEs, which economies could review and could be submitted to the Chemical Dialogue for its review as a possible "collective comment" from APEC.

6. The CDSG Chair described the Leaders' Statement to Implement APEC Transparency Provisions and noted that the Statement indicates that APEC subfora that have not developed specific transparency provisions should do so. The CDSG agreed that the APEC Chemical Dialogue could contribute to implementing the Transparency Statement, perhaps through a regular agenda item where economies could voluntarily share information on regulatory developments affecting the chemical industry. The United States reported on its efforts to improve transparency through two websites: www.regulations.gov and <http://ts.nist.gov/ts/htdocs/210/ncsci/export-alert.htm>.
7. On the Orange Book, the CDSG agreed to follow the following recommendations to the Chemical Dialogue as a possible deliverable for 2003: economies are encouraged to utilize the most current issue of the Orange Book and to incorporate it by reference into their regulatory process; utilize the Orange Book guidelines, to the extent feasible, to bring consistency between domestic and international regulations for the transportation of dangerous goods; and encourage sub-regional agreements (e.g., ASEAN) to reflect the Orange Book guidelines in their transportation of dangerous goods provisions. Thailand distributed its report on the progress of implementation on Dangerous Goods Transportation in Thailand, which is expected to be notified in the Government Gazette soon.
8. On Customs issues, both Mexico and the United States noted that responses to their respective surveys had been inconclusive. It was agreed that the APEC Secretariat would seek the assistance of the SCCP in completing the questionnaires. It was further suggested that economies review the Customs provisions of the APEC Trade Facilitation Action Plan and by March 15 forward their two or three priorities either to the CDSG Chair or to the APCIC Secretariat. The objective would be for the Chemical Dialogue to recommend that APEC address these priorities as a sectoral project.
9. On Doha issues, the APCIC Secretariat offered to circulate the position papers of the International Council of Chemical Associations to all interested CDSG participants.
10. It was agreed that the Chemical Dialogue would be held at Khon Kaen during the May SOM II series of meetings and prior to the CTI.