



Asia-Pacific
Economic Cooperation

Joint Ministerial Statement



**5th Transportation Ministerial Meeting
Adelaide, Australia
28-30 March 2007**

5th APEC TRANSPORTATION MINISTERIAL MEETING

**28 - 30 MARCH 2007
ADELAIDE AUSTRALIA**

JOINT MINISTERIAL STATEMENT

1. We, the Ministers responsible for Transportation in the APEC region, met in Adelaide, South Australia, on 28-30 March 2007, to discuss transport issues of mutual concern.
2. Transportation plays a key role in the APEC agenda for trade facilitation and economic integration in the Asia-Pacific region. The movement of people and goods underpins economic and social development in the region. Transport sector activity itself accounts for a significant portion of regional economies. It is therefore necessary that the transport systems are efficient, convenient and secure.
3. Our discussions focussed on three broad themes:
 - transport's role in trade liberalisation and facilitation;
 - transport safety; and
 - transport security.
4. We acknowledge the diversity of APEC member economies and the need to take appropriate individual and joint actions consistent with each member economy's circumstances. We encourage developed member economies to render appropriate assistance to developing member economies for mutual benefits and common prosperity.
5. We are committed to examining ways in which liberalisation of transport can promote regional economic integration, consistent with the APEC Leaders' direction to examine ways and means to promote regional economic integration, including a free trade area of the Asia Pacific as a long term prospect.
6. We look forward to continued efforts in realising APEC trade facilitation goals in line with the directions identified in the Hanoi Declaration by APEC Leaders in November 2006. In particular:
 - We re-affirm our commitments to the Bogor Goals and the successful conclusion of the Doha Development Agenda (DDA) of the World Trade Organization (WTO) negotiations and welcome the resumption of the DDA negotiations.
 - We encourage member economies to continue to contribute to the reduction in business transaction costs through greater transport efficiency.
 - We encourage member economies to ensure total supply chain security remains a priority in support of trade liberalisation and facilitation.
7. We recognise that Leaders endorsed the initiative to establish an APEC Port Service Network. This will stimulate trade and investment in the region by integrating various sectors in shipping business, facilitate convenient and secure freight transportation, enhance exchanges and cooperation among ports and related sectors and promote their development, improve efficiency and security of logistics systems. We request the Transportation Working Group (TPT-WG) to assist in establishing the APEC Port Service Network in a timely manner.

8. We urge member economies to look for ways that transport initiatives can contribute to regional economic integration. Substantial economic benefits can be gained through further work such as addressing the practical side of trade facilitation and reducing 'behind the border' barriers which add cost and time to the movement of people and goods and constrain efficient trade flows. World Bank studies suggest that bringing below average APEC members half way up to the APEC average in trade facilitation would result in a 10% increase in intra APEC trade worth about US \$280 billion. (World Bank 2003).
9. The global security environment also warrants efforts by APEC to ensure the unimpeded flow of trade. We are conscious of the need to balance security and trade facilitation. We agree that harmonisation and consistency of security measures is an important priority, noting the important implications for business and passengers.
10. We are concerned about the continued threat of global terrorism. We condemn, in the strongest terms possible, such attacks and the targeting of transportation systems to inflict terror. We remain united in our determination to enhance regional cooperation on transport security.
11. We recognise that, given the networked nature of transport systems, effective transport security requires sharing of responsibility between authorities, business and the community.
12. We welcome the work being done in developing a Trade Recovery Programme for APEC and strongly support the objective of facilitating the swift recovery of trade in the event of disruption caused by a major terrorist attack or other calamities on the global supply chain.
13. In relation to transport security more broadly, the importance of deterring attacks on transport systems has grown as a priority, over the last decade, moving beyond traditional challenges such as prevention of aircraft hijacking. It encompasses all modes, including mass transport where different solutions need to be considered. We agree that risk assessment and risk based approaches enable security measures to reflect the challenges and needs of economies in APEC.
14. We value the efforts made by member economies in meeting the challenge of ensuring the integrity of transport security systems. Much work has been undertaken through the security sub-groups of the TPT-WG (The Working Group) and the Secure Trade in the Asia-Pacific Region (STAR) initiative, to help protect cargo, international shipping and international aviation.
15. We are committed to responding appropriately to any new and emerging transport security challenges within the region. We agree that further work is required to integrate and harmonise processes aimed at security protection in transport operations while continuing to improve efficiency - both in passenger operations and across the supply chain for freight.
16. We are concerned about the ongoing human and economic costs of transport accidents and the importance of improving outcomes in transport safety. This involves attention to a range of issues from regulation of aviation and maritime operators to improving the safety of all road users.
17. Road safety presents particular challenges. While the mix of issues and responses vary across member economies, we agree that the development of comprehensive and effective strategies for improving transport safety is a priority for every member economy.

18. We recognise the fruitful discussions that took place at the Road Safety Summit conducted immediately before this Ministerial Meeting. We have endorsed the directions recommended by the Summit, as set out in Part II of this Statement. We commend the organisers and supporters of the Summit.
19. We recognise that there are other major challenges emerging for transport, including industry restructuring and consolidation, freight growth, increased demand for services, issues relating to the environment and energy savings such as emissions and increases in the cost of fuel. We encourage the Working Group to discuss measures to promote environmentally sustainable transport and to look for opportunities to collaborate in areas such as fuel efficiency and alternative energies, including biofuels.
20. We recognise and support the work being done in ICAO to develop a balanced approach to address emissions from aviation operations, based on mutual consent. We request that the Transportation Working Group work with relevant experts in the field to address as a matter of urgency, options for cooperative work to contribute to sustainable policy approaches on this issue. We encourage economies to support the initiative to hold a seminar in the second half of 2007 for APEC economies on the aviation emissions issues and options for action.
21. We note with concern indications of emerging skill shortages in critical roles across the transport sector and urge increased effort to implement cooperative strategies for developing, attracting and retaining a skilled workforce.
22. We recognise the importance of human capacity and institutional development to respond to the emerging challenges of the transportation sector in the APEC region, and encourage continued cooperative arrangements for technical assistance and technology transfer.
23. New technologies including Information and Communications Technology applications continue to offer improvements in efficiency, safety and security outcomes. We re-affirm the importance of cooperation in the introduction of new technologies and the development of technological solutions and standards which provide interoperability across the APEC region where feasible.
24. We commit to continue cooperation with international organisations including the International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO) and the International Standards Organization (ISO) to improve safety, security and efficiency outcomes in aviation, maritime and land transport. It is important that the work of the Working Group complements the work of other international forums without duplication.

Working with industry

25. We agree that engaging industry is critical in consideration of the APEC transport agenda and that open dialogue can be advanced through ongoing consultation and information sharing. Special workshops or seminars will be arranged as necessary to discuss key issues and consider options for practical responses involving actions by competent authorities and industry as appropriate. We strongly encourage projects and work that is part of broader APEC initiatives involving industry.
26. Building on the industry feedback to the survey commissioned at Bali in 2004 to assess progress towards the Bogor Goals, we support further exploration of the issues identified. Further efforts should focus on working with industry on how to address issues such as

harmonisation of standards and regulatory practices, transparency in the application of regulations, improved investment in infrastructure and practical approaches to dealing with increased security requirements.

27. We recognise the participation of a range of businesses in the Industry Showcase arranged by the host economy, Australia, in conjunction with this meeting.

APEC Transportation Working Group

28. We received a report from our officials in the Transportation Working Group, which continues to meet biannually. We noted that significant progress towards achieving the Bogor Goals has been achieved in all transport sectors. We request the Working Group continue its efforts to address the issues raised in the report and to give priority to those issues we have identified and other emerging issues which are key to the transport sector.

Key results and agreed actions

29. The key results and agreed actions from our discussions are summarised in the outcome statements attached:
- Transport's role in trade liberalisation and facilitation;
 - Transport safety; and
 - Transport security.

We agree to work together on these priorities in a spirit of cooperation, in the interest of promoting economic growth in each APEC member economy and in the APEC region as a whole.

PART I: TRANSPORT'S ROLE IN TRADE LIBERALISATION AND FACILITATION

Key challenges and agreed priorities

30. We remain committed to the goal of further trade liberalisation and facilitation. While recognising that member economies will progress at their own pace, APEC can provide a forum for cooperative effort and information sharing to assist all economies to move forward.
31. Transport is a key enabler of trade and economic integration, and an underpinning element of growth in the APEC region. As trade flows increase and member economies grow, the demand for transport infrastructure and services also expands. It is important therefore that processes and regulatory and governance frameworks evolve in a way which does not impede efficiency and growth.
32. There will be continuing challenges in the transport sector to balance evolving security, safety and environmental requirements with trade facilitation, recognising cost as a key consideration.
33. We recognise the growing pressure on transport labour markets to ensure adequate supply of appropriately skilled and trained people to support growth and development. There is a need for cooperative efforts with industry to assist in identifying and implementing measures to address the critical shortages.

Agreed actions

34. We request the Working Group to increase industry involvement, particularly in the area of supply chain efficiency, to ensure a strong balance between free trade and a safe, secure and sustainable sector. We encourage further work on the following projects:
 - the development of electronic tracking tools amongst like minded member economies, that could be used to support shared access to information about the passage of goods through the stages in a supply chain, making tracking and processing more efficient; and
 - using best practice examples, establish guidance on ways to improve the efficiency of moving goods through sea ports and airports, addressing the interaction of the commercial systems used by carriers, security regulations, border clearance processes and other factors.
35. On transport liberalisation, we recognise the trade and tourism benefits from allowing the transport industry to develop market based solutions to meeting the region's increasing demands for services. We encourage economies to consider timetables for progressive removal of regulatory constraints and to promote arrangements to allow for the development of innovative, efficient and safe transport services.
36. We recognise the importance of continued investment by economies in transport infrastructure, including with the private sector, to facilitate increased productivity and growth.
37. We support the symposium entitled "Strengthen Cross-Sector Cooperation; Promote Common Development" to be conducted by the People's Republic of China as the first

step in establishing an APEC Port Service Network. The symposium is aimed at exchanging information, soliciting opinions and suggestions on the operation of the network and ways to enhance cross sector cooperation and capacity building of ports in the APEC region.

38. We support the analysis done by the Working Group to identify the remaining areas requiring attention by member economies to meet the Bogor Goals in the transport sector. We request the Working Group to progress the roadmap work by developing specific action plans under the following key areas:

- Continuing liberalisation of transport services and increased industry participation in infrastructure provision; and
- Facilitating trade by:
 - addressing capacity building;
 - promoting technological advances;
 - working towards standardisation and mutual recognition;
 - promoting safety and security measures; and
 - promoting environmentally friendly and sustainable transport.

39. We also support continued efforts by the Working Group on the following initiatives:

- the study to develop guidelines for member economies to address the non-competitive aspects of non-ratemaking agreements among Liner Shipping companies;
- the study of the role of sediments in ships as a source of introduction of invasive aquatic pest species;
- the project providing information on the costs and benefits of utilising ITS and e-commerce technologies aimed at securing trade and increasing efficiency in the APEC region;
- the survey to prepare a World ITS Standards Report which will determine the breadth of existing standards and document needs and lessons learned for policy makers;
- the seminar to develop core competencies and leadership skills in planning and managing Intermodal Systems and Technology; and
- the project to document best practices involved in short sea shipping operations for users, operators, regulators and infrastructure providers.

40. In relation to the broader APEC agenda we urge member economies to:

- continue to contribute to the work being undertaken on ways and means to promote regional economic integration, including a Free Trade Area of the Asia-Pacific as a long term prospect, as requested by Leaders; and
- continue to enhance cooperation with the World Bank and the Asian Development Bank, through appropriate APEC channels, to improve member economies' transport infrastructure and the capabilities of their transport professionals.

PART II: TRANSPORT SAFETY

Key challenges and agreed priorities

41. We agree that safety continues to be a key element of efficient transport, necessary for effective trade and the efficient movement of people and goods. The impacts of poor transport safety reduce productivity, adversely affect human capital and diminish user confidence.
42. We recognise that
 - an estimated 1.2 million people are killed in road crashes worldwide each year; as many as 50 million are injured, and that 85 percent of the casualties occur in low and middle income economies;
 - a large proportion of these road traffic fatalities and injuries worldwide occur in APEC economies; and
 - without further action, these figures could increase by 65 per cent over the next twenty years, increasing the social and economic burden across APEC with the costs being estimated to be in the range of 1 to 3 per cent of an economy's annual gross national product.
43. Acknowledging the work done by the World Health Organization to raise awareness among policy makers and the public regarding the costs to society of road traffic injuries, we urge member economies to increase their efforts in relation to road accident prevention and reduction.

Agreed actions

44. We agree that continuing efforts to improve road traffic safety should be a high priority for APEC economies.
45. We agree to work with other authorities in each economy to ensure that each APEC economy has a comprehensive road safety strategy that includes realistic but challenging fatality and injury reduction objectives, and which:
 - addresses a wide range of road safety issues including road network, traffic regulation, road user behaviour, driver training and licensing, vehicle standards and enforcement;
 - incorporates arrangements for collection of data on accidents and trend monitoring;
 - provides for progress against the targets to be monitored and published;
 - includes a mechanism for continuous improvement and updating of the strategy; and
 - explores strategies for various assistance measures for road safety programmes and activities.
46. We welcome global good practice guides that address the key risk factors that result in road fatalities and injuries and support use of such guides in the development of economy road safety strategies and programmes.
47. We agree to continue to share knowledge and resources across economies through the APEC Transportation Working Group, particularly with a view to enabling

implementation of further road safety initiatives in low and middle income APEC economies.

48. We agree to recommend to APEC Leaders that improving road safety be a priority for APEC and that progress be reviewed periodically.
49. Recognising that youth is over-represented in accident statistics, we encourage participation in activities targeted specifically at road safety for youth, for example the United Nations Global Road Safety Week, April 23-29, 2007.
50. We encourage all economies to consider measures to ensure adequate ongoing funding for implementing road safety initiatives, including, as appropriate, measures to provide incentives for contributions by stakeholders such as insurance companies, vehicle manufacturers and importers and transport operators.
51. We further encourage economies to develop strategies which reduce risks to vulnerable road users including young people, the aged, motor cyclists, cyclists and pedestrians.
52. We also encourage economies to develop strategies to deal with identified problem areas such as failure to wear seatbelts or driving under the influence of alcohol. We also encourage economies to develop strategies to promote positive behaviours such as wearing of helmets by motorcycle and bicycle riders.
53. We request that the Working Group develop initiatives to improve the capacity of member economies to comply with international standards in aviation and maritime safety and to adapt to new and better ways of operating, including the use of new technologies.
54. We note the value of advanced approaches to safety administration in transport, including the implementation of Safety Management Systems (SMS) in aviation. We recognise the practical challenges in implementing SMS effectively both in aviation and in other transport modes. We encourage economies to assist in information sharing and capacity building initiatives in this area.
55. We agree that good safety outcomes in aviation depend on the commitment of industry participants and economies. To complement initiatives already underway in ICAO, we ask the Working Group to develop a list of initiatives to enhance aviation safety across the APEC region.
56. We encourage implementation of marine casualty investigation systems by relevant member economies in line with work through IMO, and the subsequent sharing of results. This would assist in understanding the causes of marine accidents as a basis for promoting better safety practices.
57. We encourage relevant member economies to undergo maritime safety oversight audits over the next two to three years, as part of the Voluntary IMO Member State Audit Scheme.
58. We request the Working Group to establish a register of transport safety training capabilities in member economies to assist with capacity building.

PART III: TRANSPORT SECURITY

Key challenges and agreed priorities

59. We agree that secure transport of passengers and freight is of fundamental importance to trade and economic growth in the APEC region.
 - The networked nature of transport systems means the strengths and weaknesses in one member economy can have far-reaching ramifications for other member economies.
 - The APEC region has cities, transport infrastructure and trade routes of global significance.
60. Recent global events highlight continued interest by terrorists in transportation systems as targets as well as weapons.
61. Areas of particular emphasis within the region include:
 - rail and mass transit security;
 - strengthening maritime and aviation security;
 - total supply chain security, including air cargo security;
 - enhancing governance and regulatory frameworks to ensure international obligations and standards are met across the APEC region; and
 - strengthening arrangements for assessing and monitoring risk and developing mitigation strategies to address security appropriately across all modes.
62. There is a strong need to balance security actions with efficient and effective flows of goods and people, and to harmonise security measures to promote consistency and minimise duplication.

Agreed actions

63. We support the joint initiatives to identify best practice, share information and assess compliance with relevant international security norms to assist with capacity building in the area of transport security. We request the Working Group to develop a rolling programme.
64. We request the Working Group to share experiences in the implementation of security measures with a view to advising economies on trade facilitation impacts, including proposals to harmonise security arrangements.
65. We welcome Canada's contribution of \$350,000 (CDN) to APEC's International Ship and Port Facility Security (ISPS) Code Implementation Assistance Program, which will support the continuing implementation of international maritime security measures in the region. We encourage continued progress on the evaluation phase of the APEC Secure Trade Project. This will provide information on the costs and benefits of utilizing ITS and e-Commerce technologies aimed at securing trade and increasing efficiency in the APEC region.
66. We support the sharing of best practices in land transport security. We encourage drawing on specific cooperative initiatives developed by the International Working Group of Land Transport Security, as appropriate. We request the Transportation Working Group to focus attention on:
 - education and training initiatives for those working in land transport operations;

- the application of new technologies to land transport security;
- improving passenger awareness; and
- risk based assessment of land transport security mitigation arrangements.

67. We also request the Working Group to:

- undertake initiatives to improve the security of the Region's land transport systems by completing the project entitled 'Land Transport Security and Commuters' Advocacy Protocol' in order to improve community response to threats to land transport;
- develop a manual of best practices for conducting maritime security drills and exercises;
- enhance ongoing model visit programmes in relation to compliance with the ISPS Code improving maritime security;
- continue to support the transportation related aspects of the work on supply chain security being done within APEC. In particular develop security strategies for intermodal cargo movements – focusing on the transfer points where the risk is high;
- develop a register of experts able to assist with transport security training as a reference resource for all member economies;
- continue to assess opportunities to better use technology, with member economies sharing expertise and experience with high and low end technologies that can assist mitigation of security risks; and
- cooperate with ICAO to harmonise security practices concerning the carriage of Liquids, Aerosols and Gels by air travellers.