

**ABAC 2018 REPORT TO APEC ECONOMIC LEADERS, PAPUA NEW GUINEA  
“DIGITIZATION AND INNOVATION – ADVANCING SOCIAL HARMONY”**

**SUPPLEMENTARY REPORT: ABAC PNG EVENTS**

In ABAC’s report, reference is made to events organized or participated in by ABAC. Some were conducted just before and after the main findings of ABAC’s work were agreed and the report finalized. As a consequence, the specific conclusions and recommendations of some events, organized or participated in by ABAC PNG, were not reflected in the ABAC 2018 Report to APEC Leaders, although the report does reflect ABAC’s work on similar themes undertaken by ABAC’s various working groups.

The events organized or co-organized by ABAC PNG include the Food Security Summit (8-9th August, Port Moresby) and the MSME Innovation Summit (10-11th September, Port Moresby). Conclusions and recommendations, endorsed by participants at those events, may be regarded as complementing and reinforcing recommendations on similar issues as reflected in the ABAC’s Report to Leaders and may be considered in the context of the main report. ABAC PNG and ABAC Chinese Taipei also convened the Digital Innovation Forum (19-20th July, Taipei). The outcomes of those events are presented here because they provide contributions to ABAC’s work.

***Key Conclusions and Recommendations***

— ***Food Security Summit***

***Fisheries***

- As a consequence of the inability of wild fisheries stocks to grow to meet rising global protein needs, economies should increase investment in innovative fisheries technologies to sustain supplies and to reduce wastage and promote sustainable fisheries and aqua farming.
- To improve fisheries stock sustainability, APEC economies should encourage the development and implementation of strengthened resources management regimes through regional and global initiatives.
- To meet growing demand for fisheries protein, economies should promote investment in relevant infrastructure such as docks, ports, power and water and promote an investment environment characterized by predictability and stability and one which encourages best practices.
- APEC public and private sectors should jointly seek to improve the visibility of the fisheries and aquaculture sectors to encourage consumers to appreciate the contribution of fish and shellfish consumption to improving protein in diets.
- In encouraging food security through the sector, economies are encouraged to reflect the interests of coastal fisheries populations in the development of strategic fisheries policies.

***Agriculture***

- To drive sustainable and inclusive development and to increase the participation of small holders and women in agriculture in developing economies, APEC should promote the value and the application, APEC-wide, of international food standards through collaborative initiatives involving public and private sectors and in particular small holders.
- APEC economies should implement policies and regulations which embrace digitization and innovation in all relevant facets of the food chain, including production, electronic payments, storage and distribution, promote the facilitation of online training of personnel, systems and management, information dissemination, cross-border data flows and encourage collaboration among regional economies on research and development and seed technology.
- Regional economies should encourage the formation of multi-stakeholder groups and partnerships in the agricultural sector to promote best practice policies and regulations aimed at promoting increased productivity and efficiencies.
- Developing member economies in APEC should implement policies that promote predictability and certainty in land rights for small-holder farmers in order to mobilize investment in agricultural production and distribution and finance, including in collection and marketing depots, and to involve farmers and small holders in supply chains.

— **MSME and Innovation Summit**

- Noting the contribution of MSMEs to economic growth and development, economies are encouraged to remove policy and regulatory barriers that impede MSME expansion, enhance their access to finance through innovative financial products and services and access to markets by promoting transparency in the operation of markets, competition and efficiencies.
- APEC policies should encourage an environment which facilitates the formation of MSME associations to develop business contacts and linkages in an economy and across the region, utilizing IT applications, digital and information services.
- To maximize the benefit of the digital revolution for MSMEs, the private sector and society as a whole, economies should review infrastructure capacities and prioritize increases in investment in the communications sector to ensure efficient, reliable, lowest cost broadband and wifi services are available to all citizens, delivered competitively and with an agnostic approach to forms of technology used and the delivery of services.
- To encourage MSME start ups and innovative applications, economies are encouraged to develop incubators and accelerators in various forms, and to promote the use of a “sandbox” approach involving regulators, business and academia in innovative business applications and solutions to regulatory and policy inhibitors and blockages.
- To facilitate MSME participation in regional and global markets, APEC policies should focus on open data management regimes, ensuring flexibility in the form in which data is transferred and the technology utilized, respecting cyber security needs and recognizing the objectives of APEC’s Cross-Border Privacy Rules.
- The digital revolution can be regarded as a major transformative process driving MSME expansion and influence. To enable this, education systems in APEC economies will need to adapt to changing needs of students and societies, to respond to disruption caused by digital innovation through different forms of learning at tertiary and adult level and the early implementation at primary and secondary school levels of IT skills, STEM subjects and the means of accessing information.

— **Digital Innovation Forum – Vision and Pathways:**

- Digital technology and innovation will drive economic development in APEC regional economies and to reap the benefits APEC economies will require policies which balance public and private interests based on trust and integrity and which protect and promote the generation, reliability and exchange of data.
- Disruption caused by digitization will include changes in necessary skill sets and capabilities of the work force. As a consequence, APEC economies will need to implement changes to educational and institutional structures to adjust to rapidly changing technologies requiring new skill sets and reforms to business and education systems and to ways in which government and community services are delivered, such as health care and social services.
- Adaptation to change in APEC economies could be facilitated, in appropriate circumstances and on an individual economy basis, by a “sandbox” approach in which regulatory and policy issues are developed through public private collaboration to promote innovation; shifts in cultural patterns and accepting failure as a common element in the transformative processes, and that a major outcome of technology will be in the design and form of services that are user-friendly, as well as in physical products.
- In promoting digitization and innovation, APEC economies should avoid erosion of ethical standards, avoid generating a concept that artificial intelligence is a zero sum game but one where the benefits are shared and open to all economies and based on a premise that artificial intelligence and robotics ought to enhance human capacities and improve livelihoods.
- APEC economies should assess their current communication infrastructure capacities and as necessary increase investment to secure their future in the digital world; small and emerging member economies in particular should make quantum leaps in infrastructure investment and benefit from leapfrogging legacy technologies.