

Annex A – September 2022 Ministerial Statements on IPEF Pillars

MINISTERIAL TEXT FOR TRADE PILLAR OF THE INDO-PACIFIC ECONOMIC FRAMEWORK FOR PROSPERITY

Indo-Pacific Economic Framework for Prosperity (IPEF)

Pillar I –Trade

We, the Ministers of the United States, Australia, Brunei Darussalam, Fiji, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, and Viet Nam, seek to craft high-standard, inclusive, free, fair, and open trade commitments that build upon the rules-based multilateral trading system. We will seek to develop new and creative approaches to trade and technology policies that advance a broad set of objectives and that fuel economic activities and generate investments; promote resilient, sustainable, and inclusive economic growth and development; and benefit workers, consumers, indigenous peoples, local communities, women, and micro-, small-, and medium-sized enterprises (MSMEs).

Additionally, for the purposes of realizing a mutually beneficial outcome, recognizing different levels of economic development and capacity constraints, we are committed to considering flexibilities, where appropriate, and working with partners on providing for technical assistance and capacity building.

To further our shared interests, with a view to delivering tangible benefits for our peoples and advancing resilient, broad-based economic connectivity and integration in the Indo-Pacific region, we intend to pursue provisions and initiatives related to labor, environment, digital economy, agriculture, competition policy, transparency and good regulatory practices, trade facilitation, inclusivity, and technical assistance and economic cooperation. Among other issues, we intend to focus on provisions and initiatives that relate to:

- *Labor.* Benefitting workers and ensuring free and fair trade that contributes to promoting sustainable and inclusive growth, including related to: adopting and maintaining, and enforcing, national laws based on internationally-recognized labor rights, based on the ILO Declaration on Fundamental Principles and Rights at Work; encouraging corporate accountability in cases of national labor law violations; public engagement; and cooperative mechanisms on emerging labor issues to support the aforementioned labor rights and workforce development, including with respect to workers in the digital economy.
- *Environment.* Meaningfully contributing to environmental protection and to responses to our common sustainability challenges, including climate change, through: effective enforcement of our respective environmental laws and strengthening environmental protection; protection of the marine environment; biodiversity conservation; combatting wildlife trafficking and illegal logging and associated trade; climate change solutions that build on existing commitments, including facilitating trade and investment in relevant clean technologies and environmental goods and services, and enhancing renewable energy, energy efficiency, and zero and low carbon sourcing; green investment and finance; circular economy approaches; promoting an environmentally sustainable digital economy; responsible business conduct;

implementation of our respective obligations under multilateral environmental agreements; and enhanced environmental cooperation.

- *Digital Economy.* Advancing inclusive digital trade by: building an environment of trust and confidence in the digital economy; enhancing access to online information and use of the Internet; facilitating digital trade; addressing discriminatory practices; and advancing resilient and secure digital infrastructure and platforms. We will work to promote and support, *inter alia*: (1) trusted and secure cross-border data flows; (2) inclusive, sustainable growth of the digital economy; and (3) the responsible development and use of emerging technologies. We acknowledge the rapidly evolving nature of digital technology and the need for flexibilities to achieve public policy objectives, including protecting the rights and interests of our diverse communities. We will share best practices on regulatory approaches and policy issues in this dynamic area of the economy and cooperate on a range of issues, including business promotion, standards, and MSMEs and start-ups.
- *Agriculture.* Advancing food security and sustainable agricultural practices, including promoting the use of appropriate technologies to improve climate-smart, sustainable production practices that are context-appropriate and evidence-based; increase productivity while optimizing land, water, and fuel use; and help contribute to climate change mitigation and adaptation, food security, and resiliency. Further, in a manner consistent with World Trade Organization (WTO) Agreements, we will seek to: enhance food and agricultural supply chain resilience and connectivity; avoid unjustified measures that restrict food and agricultural imports; improve transparency of regulatory processes and procedures; advance science- and risk-based decision-making to protect human, animal, and plant life or health; improve processes and promote cooperation regarding regulatory and administrative requirements; avoid unjustified prohibitions or restrictions on food and agricultural exports; and promote the use of digital tools and other relevant means or arrangements to reduce compliance costs in international food supply chains.
- *Transparency and Good Regulatory Practices.* Promoting, supporting, and improving transparency in rulemaking; allowing an opportunity for public comment by interested persons on proposed new or amended regulatory measures; improving accessibility of information, including online, about existing laws and regulatory processes; promoting internal coordination in regulatory development; and taking account of available information, science, and evidence in rulemaking. We will seek to advance the benefits of good regulatory practices in supporting good governance. With respect to services, we will seek to build on the outcome reached in the WTO Joint Initiative on Services Domestic Regulation, as appropriate.
- *Competition Policy.* Adopting or maintaining competition and consumer protection laws to ensure open, fair, transparent, and competitive markets, including digital markets, and cooperating on competition and consumer protection enforcement and policy issues. We will seek to cooperate to uphold fair competition.
- *Trade Facilitation.* Harnessing international best practices with respect to facilitating trade, including effective implementation of the WTO's *Agreement on Trade Facilitation*; facilitating trade through simplified customs procedures and clearance

while maintaining customs control; digitalization of trade facilitation measures; addressing logistics and transportation issues, including, in particular, maritime issues, as appropriate; and promoting transparency. We will seek to promote electronic processing of customs data and documentation, and maintain or shape responsible rules on the efficient and trustworthy handling of trader data. In addition, we will seek provisions and initiatives on, *inter alia*: enhanced publication; electronic payments; perishable goods; and customs cooperation.

- *Inclusivity*. Expanding meaningful access to, and participation in, the regional economy for all segments of society, including indigenous peoples, minorities, women, people with disabilities, rural populations, and local communities. We will seek to advance an inclusive approach to ensure the benefits of the IPEF are broadly shared, including by removing barriers to economic empowerment. We will seek to encourage greater participation of these groups in international trade and investment and to develop cooperative activities in their areas of interest.
- *Technical Assistance and Economic Cooperation*. Supporting technical and economic cooperation, including existing bilateral and regional trade-related technical assistance and capacity building, and its ability to facilitate the full implementation of high-standard trade provisions and new initiatives in the Indo-Pacific. We will build upon existing assistance platforms and coordinate assistance to help IPEF partners implement IPEF provisions and initiatives in line with identified needs.

We will continue to identify additional areas of cooperation, based on consultations among partners, to further our shared interests, with a view to advancing regional economic connectivity, inclusiveness, and integration.

We look forward to jointly creating an environment conducive to expanding access to opportunities for workers, companies, and peoples in our markets, boosting flows of trade and investment among our economies, enhancing standards, and reducing trade barriers.

MINISTERIAL TEXT FOR TRADE PILLAR OF THE INDO-PACIFIC ECONOMIC FRAMEWORK FOR PROSPERITY

Indo-Pacific Economic Framework for Prosperity (IPEF)

Pillar II – Supply Chain

We, the Ministers of Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, the United States, and Viet Nam, are committed to improving transparency, diversity, security, and sustainability in our supply chains to make them more resilient, robust, and well-integrated. We recognize the importance of and reaffirm our commitment to fair and open markets and the rules-based multilateral trading system with the WTO at its core. We recognize the need to ensure secure and resilient supply chains and to minimize disruptions and vulnerabilities, which may require evolving our public institutions and improving coordination with the private sector. Recognizing the different economic characteristics and capacity constraints of Members, we seek to coordinate crisis response measures and to expand cooperation to better prepare for, and mitigate the effects of, disruptions to better ensure business continuity and improve logistics and connectivity, particularly in critical sectors.

We intend to promote labor rights based on the ILO Declaration on Fundamental Principles and Rights at Work, which the Partners have adopted, support workforce development, promote private sector exchanges, and mobilize investments and technical cooperation, including to build the capabilities of micro, small, and medium enterprises (MSMEs), as part of our efforts to strengthen our supply chains and ensure a reliable supply of goods and related essential services for critical sectors. We are committed to working together in an open and inclusive manner, and we recognize the important role that local and other communities, women, and indigenous peoples, play in realizing our shared goals.

To achieve our collective goal of resilient supply chains that can anticipate, withstand, or rapidly recover from shocks and strengthen the competitiveness of our economies within the Indo-Pacific region, we intend to undertake the following. In all cases, we intend to work to minimize market distortions, protect confidential business information, promote regulatory compliance, respect market principles, and act consistently with our respective WTO obligations.

- *Establish Criteria for Critical Sectors and Goods.* We acknowledge that jointly establishing criteria to identify critical sectors and goods will facilitate cooperation among IPEF members in the event of a major supply chain disruption affecting one or more IPEF members; and can help prepare our governments to respond urgently and effectively. We intend to pursue provisions and initiatives, including but not limited to: establishing criteria to identify sectors critical to our national security, the health and safety of our citizens, and economic resilience through the prevention of significant or widespread disruptions to our economies; establishing criteria to identify key goods that fall within those sectors; and developing a process to identify the related raw material inputs, manufacturing, or processing capabilities, logistics facilitation, and storage needs.
- *Increase Resiliency and Investment in Critical Sectors and Goods.* We acknowledge that supply chain resiliency may require strengthening the capacity and capability of industries to prepare for and recover quickly from unexpected disruptions. We also acknowledge the

critical role of the private sector in ensuring well-functioning supply chains. We intend to pursue provisions and initiatives, including but not limited to: enabling the identification of sole sources or chokepoints within supply chains; strengthening our industries and supporting trade and investment in critical sectors; promoting and supporting investments to improve physical and digital infrastructure; supporting investment in supply chain resilience strategies; exploring tools and institutions to promote a diversity of sources across the region, which may include economic development programs, technical cooperation, and capacity building; promoting and supporting investment in advanced manufacturing techniques and other modernization efforts to strengthen existing and develop potential suppliers; and promoting more circular economies to help reduce the need to create new sources of goods.

- *Establish an Information-Sharing and Crisis Response Mechanism.* We acknowledge that timely information sharing between governments and with private sector actors will promote earlier warning of supply chain disruptions and more efficient, proportionate, and effective responses. We intend to pursue provisions and initiatives, including but not limited to: establishing a mechanism for government-to-government coordination on supply chain vulnerabilities and disruptions, including response measures that would facilitate the efficient movement of goods and related essential services in critical sectors; outlining an information sharing process that encourages the use of technology to facilitate the secure exchange of data and accounts for confidentiality, regulatory compliance, and capacity considerations of individual governments; designating national coordination points, as appropriate, to manage information intake and crisis response in the event of supply chain vulnerabilities and disruptions; on an ongoing basis, identifying mitigation measures, sharing best practices and considering improvements to policies or processes, where appropriate; and engaging with relevant stakeholders to mitigate the impact of disruptions.
- *Strengthen Supply Chain Logistics.* We recognize that strengthening logistics in supply chains, including land, air, waterway, maritime, shipping and port infrastructure, can have broad-based, positive effects by making our economies more efficient, resilient, and sustainable. Working closely with the private sector, we intend to pursue provisions and initiatives, including but not limited to: collecting and utilizing relevant data on supply chain logistics, while accounting for and protecting the confidentiality of business information; seeking to understand vulnerabilities; facilitating investments and technical cooperation to support improvements to supply chain logistics including infrastructure; maintaining border and transport links subject to our national laws; fostering the development of common frameworks to improve the resilience of supply chains; and considering ways to address existing or potential bottlenecks.
- *Enhance the Role of Workers.* We recognize that skilled workers and employers who comply with national labor laws and promote labor rights based on the ILO Declaration on Fundamental Principles and Rights at Work, which the Partners have adopted, are critical to building supply chain resilience. We intend to pursue provisions and initiatives that invest in training and development opportunities necessary to ensure a sufficient number of skilled workers in supply chains for critical sectors. We also intend to promote labor rights based on the ILO Declaration on Fundamental Principles and Rights at Work, which the Partners have adopted, to ensure that workers and communities share in the benefits of increased supply chain resilience.

- *Improve Supply Chain Transparency.* We recognize that transparency throughout our supply chains in critical sectors can improve visibility into risks and also promote respect for environmental, social, and corporate governance. We therefore intend to pursue provisions and initiatives, including but not limited to: facilitating the development of tools and measures to advance transparency across supply chains in critical sectors, without imposing unnecessary costs on MSMEs; and working with the private sector to address, alleviate, and mitigate risks.

We will advance these areas of cooperation in an expeditious and steadfast manner. We intend to assist Members to implement programs and goals through training, technical cooperation, and capacity building.

We look forward to working together to strengthen resilience in our global supply chains, especially in the critical sectors that underpin our economies, and ensure broadly shared economic growth for our workers, companies, and people.

MINISTERIAL TEXT FOR TRADE PILLAR OF THE INDO-PACIFIC ECONOMIC FRAMEWORK FOR PROSPERITY

Indo-Pacific Economic Framework for Prosperity (IPEF)

Pillar III – Clean Economy

We, the Ministers of Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, the United States, and Viet Nam, in recognition of our enormous energy and infrastructure needs and in line with our Paris Agreement goals and efforts, intend to accelerate our efforts in pursuit of greenhouse gas emissions mitigation and elimination, enhanced energy security, and climate resilience and adaptation, as well as sustainable livelihoods and quality jobs for our populations.

We are determined to advance cooperation on research, development, commercialization, availability, accessibility, and deployment of clean energy and climate-friendly technologies; as well as on policy frameworks, capacity building, technical assistance, innovative financing approaches, public-private partnerships, platforms, and networks that deliver quality, sustainable projects and solutions that advance our aims. We recognize the need to promote just transitions through the creation of decent work, quality jobs, and labor rights based on the ILO Declaration on Fundamental Principles and Rights at Work, which the Partners have adopted. As we pursue our shared objectives and respective pathways to net zero economies over time, we recognize the unique national circumstances of each Partner, including their development needs.

We recognize that the clean energy transition offers massive market, investment, industrialization, and quality job opportunities across the Indo-Pacific region. Working together on enabling commerce within and across borders, we can unlock the region's abundant clean energy resources and substantial carbon sequestration potential while promoting low- and zero-emissions goods and services and reducing overall greenhouse gas emissions. We also recognize that ensuring the active participation of our stakeholders, including the private sector, workers, universities, and research institutions in shaping the clean economy will require innovation and creativity. We are committed to working together in an open and inclusive manner, and we recognize the important role that local and other communities, women, and indigenous peoples play in realizing our shared goals.

- *Energy Security and Transition.* We recognize energy access and affordability, energy efficiency and conservation, demand side management, diversity of energy sources, and system resilience are critical to the region's energy security and transition. We intend to pursue provisions and initiatives that enhance our cooperation and share best practices on policies, standards, incentive frameworks, and infrastructure investment related to deployment of emerging clean energy technologies and expansion of clean energy capacity, production, and trade; promotion of energy efficiency and conservation, including regional electric grid enhancements; and advancement of energy sector methane abatement. We recognize the importance of finding creative and innovative ways of reducing our dependence on fossil fuel energy, taking into account our respective energy security and transition initiatives.
- *Greenhouse Gas Emissions Reductions in Priority Sectors.* To accelerate climate action and sustainable growth across the region, our goal is to reduce greenhouse gas emissions

across priority sectors, in pursuit of our respective pathways to net zero. We intend to pursue provisions and initiatives that support policies, incentive frameworks, and infrastructure investment to scale up low- and zero-emissions goods, services, and fuels.

- *Sustainable Land, Water, and Ocean Solutions.* We recognize that sustainable land use and the ocean are critical to sustainable livelihoods, environmental stewardship, and climate action. We intend to pursue provisions and initiatives on land use, including the promotion of sustainable agricultural practices, such as more efficient water and fertilizer use, and sustainable forest management. We also intend to enhance cooperation on sustainable water solutions. We aim to advance ocean-based climate solutions including offshore renewable energy and maritime transport.
- *Innovative Technologies for Greenhouse Gas Removal.* We recognize the importance of scaling and reducing the cost of safe and sustainable greenhouse gas removal technologies, as well as innovative and durable nature-based solutions in pursuit of our respective pathways to net zero. We intend to pursue provisions and initiatives that support demand and supply for carbon capture, utilization, transport, and storage across the region; support regional efforts to foster market and non-market solutions; and work towards robust monitoring, reporting, and verification standards.
- *Incentives to Enable the Clean Economy Transition:* We recognize the critical role of both the public and private sectors in realizing clean economy goals. We intend to pursue provisions and initiatives that encourage the adoption of demand-side measures that contribute to the development of markets for low- and zero-emissions goods and services, including government and private sector procurement as well as enhance cooperation on high-integrity carbon market development and operation in the region. We also intend to enhance our cooperation on mobilizing investment and sustainable finance for low- and zero-emissions projects and those projects transitioning existing assets to low- and zero-emissions futures by supporting enabling policies; promoting secure, diverse, and resilient clean energy supply chains; developing platforms to pilot initiatives; growing the pipeline of bankable projects; and mobilizing resources including private and institutional capital through public-private partnerships and international blended finance instruments, with a focus on investments in developing countries in the region. We seek to promote technical cooperation, workforce development, capacity building, and research collaborations critical to our clean economy goals, taking into consideration the needs of participating countries, in particular developing countries.

We look forward to jointly working to pursue these provisions and initiatives as part of a future-oriented effort that expands market opportunities, spurs innovation and productivity, and improves the livelihoods of our populations, in the context of just transitions, as we chart our respective pathways towards net zero economies across the Indo-Pacific region.

MINISTERIAL TEXT FOR TRADE PILLAR OF THE INDO-PACIFIC ECONOMIC FRAMEWORK FOR PROSPERITY

Indo-Pacific Economic Framework for Prosperity (IPEF)

Pillar IV – Fair Economy

We, the Ministers of Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, the United States, and Viet Nam, recognize that fairness, inclusiveness, transparency, the rule of law, and accountability are essential to improving the investment climate, ensuring shared prosperity, and promoting labor rights based on the ILO Declaration on Fundamental Principles and Rights at Work, which the Partners have adopted. We seek to level the playing field for businesses and workers within IPEF member countries in the Indo-Pacific region by preventing and combating corruption, curbing tax evasion, and improving domestic resource mobilization. We are committed to working together in an open and inclusive manner, and we recognize the important role that local and other communities, women, and indigenous peoples play in realizing our shared goals.

We intend to effectively implement and accelerate progress on anti-corruption measures and tax initiatives within our domestic legal frameworks, consistent with international agreements and standards applicable to each IPEF member based on its respective commitments. We intend to promote progress towards these shared goals by enhancing cooperation on capacity building, technical assistance, and innovative implementation approaches, recognizing the different levels of development and capacity needs of each country, while strengthening inclusive collaboration and transparency. We intend to focus on:

- *Anti-Corruption.* We intend to effectively implement and accelerate progress on the United Nations Convention against Corruption (UNCAC), standards of the Financial Action Task Force (FATF), and as applicable, the OECD Anti-Bribery Convention. We aim to pursue provisions and initiatives to: prevent, combat, and sanction domestic and foreign bribery and other related corruption offenses, consistent with the UNCAC; strengthen measures to identify, trace, and recover proceeds of crime; strengthen anti-money laundering and countering the financing of terrorism frameworks and their enforcement, including enhancing transparency of real estate transactions and beneficial ownership of legal persons consistent with the FATF standards; promote transparency and integrity in government procurement practices; encourage the private sector to implement internal controls, ethics, and anti-corruption compliance programs; establish and maintain systems for confidential and protected domestic reporting on corruption offenses; promote integrity of public officials; prevent corruption that undermines labor rights based on the ILO Declaration on Fundamental Principles and Rights at Work, which the Partners have adopted; strengthen transparency and implementation of existing anti-corruption review mechanisms; and promote, within our domestic legal frameworks, the participation of all stakeholders, including individuals and groups outside the public sector, in the fight against corruption, consistent with the UNCAC.
- *Tax.* We intend to pursue provisions and initiatives to reaffirm our support for transparency and exchange of information for tax purposes between tax competent authorities pursuant to existing international agreements and standards; support global

and regional efforts to improve tax administration and domestic resource mobilization through technical assistance, capacity building, and more efficient tax administrative practices; and support the ongoing work of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting's Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy, as applicable.

- *Capacity Building and Innovation.* We intend to pursue provisions and initiatives that support capacity building and explore innovative approaches to: technical assistance, sharing of expertise and best practices, development and application of technological innovations, and collaboration with the private sector and other stakeholders.
- *Cooperation, Inclusive Collaboration, and Transparency.* We intend to pursue provisions and initiatives that deepen cooperation and collaboration among our respective authorities, including by regularly sharing information among IPEF Partners on implementation progress toward our shared goals; and by engaging all relevant stakeholders, such as civil society, non-governmental organizations, enterprises, business organizations, industry associations, academia, and workers' organizations, to enhance transparency with respect to our shared goals.

We look forward to jointly working to develop these provisions and initiatives as part of our individual and collective efforts to innovate and strengthen our approaches to implementing anti-corruption and tax measures to boost flows of commerce, trade, and investments among our economies and advance a free, open, and prosperous Indo-Pacific region.