

**Asia-Pacific Business Leaders:
“Open Trade and Investment and Structural Reform are Keys to Quality Growth”**

Shenzhen, August 4, 2016 – “Pressing ahead with trade and investment liberalization and with structural reform are keys to achieving a more inclusive, high-quality and stable growth trajectory for the economies in the Asia-Pacific region,” said Juan Raffo, ABAC Chair 2016. “This is the central message that the APEC Business Advisory Council (ABAC) will be bringing when we meet with APEC Leaders at the APEC Summit in Peru in November.”

ABAC members believe that at this time of continuing fragility in the global economy, it would be damaging to regional growth prospects if public anxiety about the merits of trade liberalization and globalization was met by a protectionist reaction. Government and business should do a better job of explaining the benefits of open trade and investment while at the same time putting in place policies that ensure that those benefits can be shared by all sectors of the community.

“As business leaders, we know that globalization - enhanced by the application of new technologies and ways of doing business - has lifted millions out of poverty. Yet not everyone has shared equally in this dividend. While social safety nets can provide temporary relief and assistance in adapting to the new circumstances, structural reform can address any negative consequences on a longer term and permanent basis. Sound policy and regulatory quality will enhance the ability of business – no matter what size - to access the opportunities that open trade and investment generates. This will also spur new sources of growth such as in the services sector, raise productivity and promote innovation,” said Raffo.

“We see a high quality, comprehensive and ambitious Free Trade Area of the Asia Pacific (FTAAP) as an effective vehicle for achieving necessary reforms. We will be asking Leaders to accelerate the pace of the pathways towards FTAAP, ratification in the case of the Trans-Pacific Partnership (TPP) and completion of negotiations of the Regional Comprehensive Economic Partnership (RCEP),” said Raffo. “Once APEC’s Collective Strategy Study is completed, we anticipate that APEC will be well-positioned to move to the next stage of the eventual realization of FTAAP, which should include establishing ambitious targets with a future timetable and concrete actions.”

Since its establishment, ABAC has placed great importance on the role of smaller businesses in driving entrepreneurship and employment in all APEC economies. Expanding the participation of micro, small and medium enterprises in regional trade and investment will help achieve quality growth and highlight the benefits of globalization. ABAC will lead initiatives to promote MSME access to global markets, new technologies and finance, as well as empowering women and young people.

ABAC also prioritises the enhanced development of the services sector, which is the single biggest contributor to employment (46%) and output (70%) in APEC as well as enabling significant participation by MSMEs. Business leaders strongly support APEC initiatives that pave the way for more coherent, transparent and efficient regulatory environments which are conducive to the growth of the services sector and that keep pace with the transformation in business models.

In addition, ABAC had a robust discussion about connectivity in particular the digital economy and its contribution to GDP growth around the region. ABAC recognizes that as economies adopt digital strategies, there is an opportunity to contribute to inclusive growth, although efforts must be taken to address infrastructure, capacity building and skills development. ABAC encouraged further work by APEC in a number of areas to ensure that the transformative nature of the digital economy looks at 21st century rules for global

trade. The importance of the development of air connectivity to promote harmonized aviation safety standards was also recognized.

The ABAC Report offer our detailed recommendations to strengthen food security, uphold the rule of law and enhance the critical role of finance - all of which are fundamental to sustained quality growth.

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ABAC was created by APEC Leaders in 1995 to be the primary voice of business in APEC. Each economy has three members who are appointed by their respective Leaders. They meet four times a year in preparation for the presentation of their recommendations to the Leaders in a dialogue that is a key event in the annual Leaders Meeting. ABAC was created by APEC Leaders in 1995 to be the primary voice of business in APEC. In 2016, Under Peru's leadership ABAC is pursuing a work program under the theme "Quality Growth and Human Development" to respond to the challenge of maintaining the economic vitality of the Asia-Pacific Region and ensure it benefits all. There will be four tracks: consolidating progress towards the Free Trade Area of the Asia-Pacific; facilitating MSME development through access to global markets and new technologies; promoting economic growth, diversification and sustainability; and strengthening the rule of law and economic and social sustainability.

ABAC 2016 co-chairs are Hoang Van Dung and Doris Ho, with five (5) working group chairs, namely: Sir Rod Eddington, Regional Economic Integration Working Group (REIWG); Hiroyuki Suzuki, Finance & Economics Working Group (FEWG); Dato Robana Mahmood, MSME & Entrepreneurship Working Group (MSMEEWG); Bart Peterson, Sustainable Development Working Group (SDWG); and Anthony Nightingale, Connectivity Working Group (CWG).

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