



APEC NEWS RELEASE

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The APEC Business Advisory Council (ABAC)



Building a sustainable and inclusive future in turbulent times

Senior business leaders from around the Asia-Pacific, meeting in Kuala Lumpur this week, expressed deep concern about the risks to continued prosperity from the current turbulent trade and economic environment.

“The storm clouds of trade war and protectionism are gathering,” said David Toua, Chair of the APEC Business Advisory Council. “After a period in the doldrums, we had finally been seeing more buoyant growth around the world. But the destructive forces of protectionism and unilateralism are a real threat to that trend.”

Mr Toua noted that the IMF was forecasting global GDP to expand by 3.9% in 2018, but that it has also identified a rise in trade tensions as a significant downside risk.

“We have given a strong message to APEC Economic Leaders in our annual Report about our support for the global rules-based trading system and the value we place on pressing ahead towards a Free Trade Area of the Asia-Pacific. These are fundamental to ensuring that our region will be seamless, dynamic, resilient and sustainable – and a place where everyone can enjoy the opportunities and benefits of regional economic integration,” said Mr Toua.

“Trade barriers hurt jobs especially those in SMEs participating in Global Value Chains (GVCs), and it hurts our communities and environment. Open and connected markets are not just better for business – they have advanced communities globally. We need to focus on reaching win-win outcomes.”

He added that a further core message to Leaders was around the importance of fully leveraging the digital age. “That means a future-ready workforce, infrastructure, and the right policy settings to ensure data flows, privacy and security, while not leaving some economies behind.”

Mr Toua said that the Council had also finalised letters to APEC Ministers for Finance, Energy and SMEs.

On energy, Mr Toua said that ABAC was committed to helping to realise the UN Sustainable Development Goal of access to affordable, reliable, sustainable and modern energy for all. “That demands a focus on improving energy infrastructure, shifting towards low-carbon and renewable energy, and tackling climate change,” he said.

“On finance, we recognise the central role that FinTech plays in the digital economy, and accordingly we have stressed the importance of coordination on policy, regulatory and institutional settings in that area,” Mr Toua added. “As well, the vast infrastructure needs in the APEC region should be an urgent focus for investment and regulatory reform.”

Mr Toua added that empowering micro-, small and medium-sized enterprises (MSMEs) and women remained a major priority. “It is critical that MSMEs, including women-led MSMEs, are able to realise their full potential – whether operating domestically or internationally. That requires access to finance and the digital economy, reducing structural impediments and trade barriers such as NTBs,” said Mr Toua.

“There also needs to be an emphasis on the development of future-ready skills, more broadly throughout economies such as STEM education, and the right mindset in business and society that encourages and enables equal economic participation, including diversity in leadership roles. Without addressing these needs, we will struggle to deliver truly inclusive and sustainable growth,” concluded Mr Toua.

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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.

Under Papua New Guinea’s leadership, ABAC is pursuing a work programme under the theme “Digitisation and Innovation- Advancing Social Harmony” to respond to the challenge of maintaining the economic vitality of the Asia-Pacific Region and ensure it benefits all. There will be five priorities: accelerating regional economic integration, sustaining, developing and deepening inclusive growth opportunities, creating opportunities for MSMEs to prosper, strengthening financial systems to secure stable growth, investment and inclusiveness, breaking barriers to enrich society by advancing technology.

ABAC 2018 co-chairs are Richard von Appen and Vu Tien Loc, with five (5) working group chairs, namely: Sir Rod Eddington, Regional Economic Integration Working Group (REIWG); Richard Cantor, Finance & Economics Working Group (FEWG); Dato Robana Mahmood, MSME & Entrepreneurship Working Group (MSMEEWG); Ning Gaoning, Sustainable Development Working Group; and Hung-Tze Jan, Digital & Innovation Working Group (DIWG)

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