



APEC NEWS RELEASE

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The APEC Business Advisory Council (ABAC)



Resolve trade tensions and drive regional cooperation to lift APEC living standards

Senior business leaders from around the Asia-Pacific, meeting in Port Moresby this week ahead of the annual APEC Leaders Summit, expressed deep concern about the risks to continued regional prosperity from current trade tensions between APEC economies.

In their annual report to APEC Leaders, released today, members of the APEC Business Advisory Council (ABAC) called on Leaders to continue support for the integrity of the international trading system, to commit to actions that lead to the eventual realization of the Free Trade Area of the Asia-Pacific and undertake greater engagement with civil society and business to explain the benefits of trade liberalization. ABAC asks governments to adopt complementary policies to ensure the benefits of trade are more widely shared across economies, through real income growth for lower and middle income groups.

“Closer economic integration and rules-based trading systems, including the WTO, have underpinned the shared prosperity we have achieved over the past 30 years,” said ABAC Chair David Toua. “However, these systems and structures have not kept pace with the way business is done today, and multilateral efforts to modernize these systems are required to reflect current trade and economic realities. “

In addition, ABAC calls on all economies to counter the trend towards protectionism and the deleterious impact that may have on the benefits of economic integration. Trade and globalization have lifted geographic constraints for business of all sizes, including creating unprecedented opportunities for micro, small and medium enterprises (MSMEs), to engage in cross border trade, according to a report from the USC Marshall School of Business commissioned by ABAC.

“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 equally the opportunities and benefits of regional economic integration,” said Mr. Toua. “In our annual dialogue with the Leaders later this week, we will discuss how business can support governments in meeting these objectives.”

ABAC’s core message to Leaders emphasizes the importance of fully leveraging the digital age. Acknowledging the concerns in communities around the digital and innovation revolution, it is clear that the digital economy offers unprecedented opportunities for advancement if supported by appropriate policy settings and collaboration between governments and the private sector. These messages were supported by the results of a study conducted in collaboration with RMIT University.

“That means developing a future-ready workforce and investing in STEM education, investment in effective infrastructure for affordable broadband access, and the right policy settings to ensure data flows, privacy and security, while not leaving some economies behind.” Mr Toua said.

He added that empowering MSMEs women remains a major priority. “It is critical that MSMEs, including women-led MSMEs, are able to realize their full potential, particularly in the digital economy – whether operating domestically or internationally. That requires greater capacity building, including training and market information, access to finance, e-commerce and the digital economy, and reducing structural impediments and trade barriers such as non-tariff barriers,” said Mr Toua. A mindset in both business and society that encourages and enables equal economic participation, including diversity in leadership roles is critical. Without addressing these needs, we will struggle to deliver truly inclusive and sustainable growth,” concluded Mr Toua.

ABAC’s work is driven by a desire to build inclusive societies in the region, where all peoples prosper. The regional business community is committed to partner with governments to ensure a stable and prosperous Asia-Pacific region. Mr Toua said “Our Report strongly supports an ambitious post 2020 vision for APEC, focused on realizing a seamless, dynamic, resilient, inclusive and sustainable region.”

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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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