

Asia-Pacific Business Leaders to Present Recommendations to Deepen Regional Economic Integration to APEC Ministers Responsible for Trade

Asia-Pacific business leaders who comprise the APEC Business Advisory Council (ABAC) met in Singapore to continue to develop their recommendations on ways to bring about greater prosperity in the region by deepening regional economic integration. These recommendations will be presented to APEC Leaders when they meet in October 2013 in Bali. ABAC's immediate task at this meeting was to present its recommendations on economic integration particularly those pertaining to trade and investments on goods and services to the APEC Ministers Responsible for Trade who will be meeting in Surabaya on April 21.

Asia-Pacific business leaders who comprise the APEC Business Advisory Council (ABAC) concluded their meeting in Singapore with an agreement on recommendations that they will be submitting to APEC Ministers Responsible for Trade who will be meeting in Surabaya on April 20-21. The Ministers will be gathering to take stock of progress made in achieving regional economic integration in APEC and to discuss further steps to deepen the process.

ABAC has always maintained that closer economic integration is the best response to the challenges to growth and stability facing the APEC economies. In this regard, ABAC will urge the Ministers to stay the course on economic integration and take steps to accelerate its progress including by taking actions to realize the Free Trade Area of the Asia-Pacific (FTAAP), enhance the flow of foreign direct investments (FDI), promote the growth of services trade and investments, and improve supply-chain connectivity.

Over the years, it has become apparent that since it is the private sector that are the primary beneficiaries of these actions by government, their input at the policy formulation stage of these actions contributes to their effectiveness and ensures strong private sector participation at its implementation stage. To this end, ABAC has been proposing new mechanisms to bring various stakeholders – particularly the private sector and policy makers - to interact more directly with each other to develop effective responses to common challenges. ABAC, working in tandem with the APEC official process, has thus taken the lead in the establishment of public-private sector policy dialogue partnerships on such complex issues as food security, infrastructure development, financial markets and innovation.

The APEC Policy Partnership on Food Security (PPFS) long advocated by ABAC finally came to fruition last year under Russia's APEC year when it held its first meeting where it developed the outlines of an action plan to bring about food security in the region. The PPFS will hold its Management Council meeting here in Singapore to complete its operational plans. The Asia Pacific Financial Forum (APFF) is another new mechanism proposed by ABAC and welcome by the APEC Finance Ministers. The APFF is meant to foster public-private collaboration in developing the region's financial markets. It will be holding its organizational meeting in Sydney this April. The Asia-Pacific Infrastructure Partnership Dialogue, launched two years ago aims to examine issues that impact on the effective implementation of infrastructure projects particularly private sector participation, has already conducted dialogs with a number of APEC Economies.

“I can see this approach having real dividends for us in ABAC as we work on increasingly complex and cross cutting sets of recommendations,” said Wishnu Wardhana, from Indonesia and the Chair of ABAC 2013. He mentioned in particular two new but critical issues that will benefit from this approach. “Services trade and investments have always been on APEC's agenda but has somehow not

been given the attention it deserves despite its importance to Asia-Pacific economies,” says Mr. Wardhana. “Hopefully, the Public-Private Sector Dialogue on Services being organized jointly by ABAC and the APEC Chair, Indonesia, which will be held in Surabaya on April 17, will provide the impetus for APEC to develop an active work program on services trade and investments that stimulates vigorous private sector participation”

The other issue relates to the Indonesian Chair’s initiative to promote a holistic and coordinated approach to connectivity encompassing the physical movement of goods, people-to-people connection and institutional development. This would require bringing together a complex set of trade, investment and services issues, including soft and hard infrastructure. Wardhana said that ABAC stands ready to work with APEC in mapping out a multi-year agenda to support this initiative and offer ways to maximize private sector participation, investment and innovation.

In addition to the above, ABAC will also be presenting to APEC Trade Ministers their recommendations relating to the FTAAP and on foreign direct investments. ABAC will urge the Ministers to ensure that the pathways to an FTAAP – which includes Trans Pacific Partnership and the ASEAN-led Regional Comprehensive Partnership – will eventually converge into the FTAAP. At the meeting, participants were informed of Japan's announcement of its participation in the TPP process. On FDI, ABAC will call on Ministers to take the lead in ensuring that their economies remain open to FDI and to explain the benefits of FDI to growth and job creation. ABAC will be developing recommendations on reducing barriers to FDI flows and improving public perception of its value.

The business leaders were also received by Singapore’s Acting Prime Minister, Teo Chee Hean, at the Istana. The Acting Prime Minister highlighted the importance of business and government working together to drive regional prosperity and lauded ABAC's role in this regard. He mentioned in particular ABAC's long standing support for SME's and the ABAC-led initiative for public private infrastructure dialogue as providing a useful model on how the private sector can work with government to address impediments to growth.

About ABAC

The APEC Business Advisory Council is the official voice of business in APEC. ABAC brings together business leaders from each of the APEC’s 21 economies who are appointed by their respective heads of government. They have been tasked by APEC Leaders to identify policy priorities and key concerns of the business sector in achieving closer economic cooperation. Mr. Wishnu Wardhana, Director of Indika Energy, one of Indonesia’s largest energy companies, is the chair of ABAC 2013.

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