
Asia-Pacific Business Leaders Urge APEC to Accelerate the Process for Achieving a Free Trade Area in the Asia-Pacific Region

Santiago - Asia Pacific Business Leaders will urge APEC Ministers Responsible for Trade, who will be meeting in Qingdao, China next week, for APEC to accelerate the process towards making a Free Trade Area of the Asia-Pacific (FTAAP) a reality by taking concrete steps ten years after it was first presented by ABAC to APEC Leaders here in Chile.

Over the last ten years APEC has taken incremental steps to realize an FTAAP notably with the endorsement of possible pathways to an FTAAP which includes the Trans-Pacific Partnership (TPP), the Regional Comprehensive Partnership (RCEP) and the Pacific Alliance. ABAC efforts have thus been largely directed at ensuring that there is eventual convergence of these pathways into an FTAAP.

Tony Nowell, Chair of ABAC Regional Integration Working Group, sums up ABAC's expectations: "In order to achieve regional economic integration we need the Bogor Goals to be achieved by 2020; to achieve the Bogor Goals we need FTAAP and to achieve FTAAP we need one or more of the negotiating pathways to be successfully completed. Quality, ambition and comprehensiveness need to be the goals driving such negotiations if they are to meet business needs."

ABAC sees the TPP as close to completion but needs further political direction if momentum is to be maintained. The RCEP needs to adopt a quicker pace and level of ambitions that would increase alignment with other pathways to FTAAP. ABAC believes that an FTAAP should converge around the highest standards from each of the pathways.

"Given these developments and the approaching 2020 deadline for achieving the Bogor Goals, ABAC now sees the need for APEC to provide more "top-down" direction in the FTAAP process," said Ning Gaoning, ABAC Chair 2014. "This should comprise further articulation of the overall vision, robust economic analysis of possible gains and a dialogue with stakeholders aimed at increasing transparency and identifying business needs. We would therefore welcome concrete steps by APEC to the realization of an FTAAP such as developing a feasibility study, road map and timeline."

"Since ABAC first introduced the FTAAP concept, it has become more apparent over the years that the dominant business model today of global value and supply chain – responsible for achieving greater efficiency and productivity to make goods affordable to more people of all income levels and thus improving the quality of their lives – can only succeed if the friction that impede the movement of goods and services across border are reduced or eliminated," said Ning. "The FTAAP is the most effective and comprehensive mechanism for addressing the causes of this friction."

Ning said that the free flow of trade and investment in goods and service, good infrastructure, and strong financial market mechanisms are among the key elements that determine the extent of participation of economies in the global value chain. Much of ABAC's effort this year has therefore focused on developing recommendations to help economies fulfill these elements and in the process laying the foundation for a comprehensive, high quality FTAAP.

Because of the important role of services in APEC economies and in the Global Value Chains, ABAC has undertaken initiatives as identifying the services sectors role in the GVC; mapping business

organizations engaged in services liberalization; promoting the efficient movement of temporary workers around the region; and engaging with APEC official on services issues.

On investments, ABAC has developed tools designed to provide guidance and promote dialogue between governments and private business. It will be asking Ministers to support a proposal to establish a high level group of investment experts with the purpose of providing objective advice on the development and use of quantitative indicators as a useful tool to promote confidence in and socialize the value of indicators of investment performance.

Meeting the region's massive infrastructure funding needs would require the greater participation of the private sector and in tapping new sources. ABAC has also developed an Enablers of Infrastructure Investment Checklist which it is urging APEC economies to utilize as a platform for increased dialogue with the business community.

ABAC will be presenting these and other recommendations in more detail when it participates at the Ministerial Meeting in Qingdao.

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.

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