
Asia-Pacific Business Leaders Urge APEC Leaders to Accelerate Economic Integration

This afternoon we presented to APEC Leaders our Report to Leaders which contains our recommendations. As you know, ABAC has been tasked by APEC Leaders to identify policy priorities and key concerns of the business sector in achieving closer economic cooperation. Our dialogue with Leaders is a key event of the APEC Leaders Meeting as it allows us to interact directly with them in an informal setting. As such there is no recording of our conversation or attributions.

But I can share with you our key recommendations contained in the Report. The thrust of our recommendations is for APEC Leaders to pick up the pace in deepening regional economic integration as the means to promote resilience and sustained economic growth and recovery in the region, while adapting to new business realities.

It has been eight years since APEC Leaders adopted our recommendation that the Free Trade Area of the Asia Pacific (FTAAP) provides the most effective mechanism for accelerating regional economic integration. It is now time for APEC to provide top down directions for the realization of the FTAAP if we are to meet our goal of free and open trade and investment in the region by 2020. We therefore applaud their direction to officials to implement a road map which builds on progress made in the various negotiations of these pathways. We also welcome the launch of the collective strategic study as a first step and we stand ready to provide business sector inputs.

ABAC has also recommended to Leaders that efforts to achieve closer economic integration will be bolstered by promoting supply chain connectivity, liberalizing cross-border services trade and investments and taking more ambitious positions in multilateral negotiations, including those ongoing relating to trade in services. The implementation of trade facilitation commitments made by APEC WTO members as part of the Bali package is also seen as a crucial element. Likewise, ABAC has urged APEC economies to demonstrate greater leadership in securing a commercially significant expansion of the Information Technology Agreement (ITA).

We are finding out that trade and investment liberalization is not sufficient in itself - a whole range of accompanying and supporting policies are required to ensure businesses can take advantage of the new opportunities created by better access and clearer regulations particularly in view of the predominance of the global value chain model. Economies which can provide the best business environment are more likely to benefit from these global value chains. For ABAC, strengthening connectivity and infrastructure development are equally key undertakings.

Addressing the issue of connectivity, ABAC has developed policy recommendations on domestic regulatory reform and business and skills mobility. Since services account for a significant portion of APEC economies, developing an efficient and internationally competitive service sector is proving to be a critical driver for growth. ABAC has commissioned the Marshall School of Business to conduct a study on the impediments to investments in the services sector which concluded that significant barriers remain in the region.

ABAC has also been pushing for the adoption of interoperable global data standards to enhance supply chain efficiency since 2012. This year APEC has responded with a Declaration on promoting its use beginning with the launching of pilot projects.

ABAC recommendations on infrastructure development have focused on practical measures which aim to enhance private sector participation by creating a better policy and regulatory environment that spurs investments and mobilize long-term savings, promoting public private partnerships, and helping governments more effectively plan and implement infrastructure projects.

Inclusiveness is an important principle in ABAC's work and to this end its recommendations include initiatives towards the internationalization of SMMEs and facilitating their access to finances and the empowerment of women entrepreneurs and the youth through innovation. ABAC has also placed importance on sustainability and has developed recommendations related to the challenges presented by urbanization, food security, health which includes the recent Ebola outbreak in addition to non-communicable diseases and green growth.

Interaction with the APEC Finance Ministers

ABAC also endorsed the outcomes of the APEC Finance Ministers' Meeting (AFMM) and thanked AFMM Chair Lou Jiwei for supporting ABAC's recommendations. Finance Ministers encouraged their relevant authorities to collaborate with the Asia Pacific Financial Forum (APFF) in developing capital markets, SME finance and longer term investments. They welcomed ABAC's proposal on infrastructure, financial inclusion, long-term savings mobilization, sound valuation practices, innovative finance mechanisms, urban infrastructure and internationalization of emerging market currencies.

About ABAC

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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