

ABAC Letter to APEC Ministers Responsible for Trade

Dear Secretary Domingo:

As you prepare for the meeting of APEC Ministers Responsible for Trade (MRT) in Boracay the members of the APEC Business Advisory Council (ABAC) are conscious that you and your colleagues will be considering how to make progress on APEC's goal this year of promoting inclusive growth against a background of continuing fragility in the global economy and persisting inequality in many parts of our region.

ABAC is pleased to work with you and your officials to find innovative and practical solutions to these problems. Our views are premised on the conviction that an open, predictable and transparent trade and investment environment for goods and services empowers all sectors and provides new opportunities for our communities.

First and foremost, we support wholeheartedly your desire to take meaningful steps towards the Free Trade Area of the Pacific (FTAAP). We are working to bring a realistic business perspective to bear on the APEC Collective Strategic Study as the first tangible step in the Beijing Roadmap to FTAAP. On pathways and other practical building blocks to FTAAP, we are encouraged by the implementation of the Pacific Alliance, and urge participating economies to complete negotiations for the Trans Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP). These negotiations need to be mutually reinforcing and high quality, ambitious and comprehensive.

Secondly, it is clear to us that urgent action is required to shape global trading rules that will also benefit our region. We underscore the importance of implementing the WTO Trade Facilitation Agreement (TFA) and urge economies to complete their ratification procedures as soon as possible. We hope that completion of the TFA will lead to more effective engagement and progress in Geneva on the post-Bali work program of the Doha Agenda. We urge APEC economies to demonstrate leadership in securing a commercially significant expansion of the Information Technology Agreement (ITA) and swift conclusion of the stalled negotiations among key participants. Similarly, it is imperative that APEC economies honor their commitment to reduce applied tariff rates in the Environmental Goods Agreement to five percent or less by the end of 2015 on the list of 54 environmental goods as endorsed by APEC Leaders in 2012 and reaffirmed annually since. We cannot afford to miss this deadline.

Thirdly, the Trade in Services Agreement (TiSA) has the potential to set a high level of ambition for global services trade. Currently eleven APEC economies are participating in this negotiation. We urge more economies to join this negotiation and for existing participants to be inclusive of new applicants who are ready to support a high standard agreement. We welcome the proposal for an APEC Services Cooperation Framework which would serve as an enabler in achieving greater trade in services in the region. We urge Ministers to consider analytical tools to promote greater data transparency, such as the OECD's Services Trade Restrictiveness Index. Meanwhile, ABAC continues to organize Public Private Dialogues on Services and to bring like-minded business organizations together in an APEC Coalition of Services Organizations. These activities help socialize our focus on the services sector.

Fourthly, we know that effective regional economic integration is premised on efficient and strong connectivity. We are developing recommendations to APEC Economic Leaders to promote more efficient movement of goods and services through measures supportive of global value chains, infrastructure investments, global data standards, utilization of the digital economy which enhances the Internet economy, disaster risk financing and, the movement of workers to meet demands for skills across the region in our Earn, Learn and Return Initiative.

Fifthly, the region's vitality depends on the well-being of small, medium and micro sized enterprises (SMMEs) which account for over 97% of enterprises and contribute 60-90% of employment in APEC. We call on APEC economies to implement measures that would help SMMEs adopt innovation, gain access to finance, enhance their participation in the global market and make them more resilient. Likewise empowering the next generation of women entrepreneurs and business leaders will open up new areas of sustainable enterprise and growth.

Lastly, we draw your attention to our work aimed at identifying ways in which the private sector can contribute to enhancing the Rule of Law across our economies. We recognize that the basic building blocks for a sound business environment include open and transparent government, absence of corruption, regulatory enforcement, fundamental rights and order and security. You will hear more from us about the importance of Rule of Law in the coming year.

With inclusive growth as a guiding principle, we encourage that the work done in the various areas are relevant to all sizes of business so that the benefits of integration and global trade bring prosperity to all. Further details are provided in the Annex.

We look forward to discussing these recommendations in greater detail in your meeting in Boracay.

Yours sincerely,

Doris Ho
ABAC Chair

Progress Report to APEC Ministers Responsible for Trade of Relevant ABAC Initiatives

To address the challenges of sustained economic growth and promoting inclusion, resiliency and sustainability, we have adopted the theme “Resilient, Inclusive Growth: A Fair Deal for All” which is focused on the following priorities: advancing regional economic integration and services agenda; strengthening connectivity; facilitating SMME entry into global markets; maximizing innovation and human capital potential; and promoting liveable, sustainable cities and resilient communities.

On Regional Economic Integration

1. Enabling the development of a Free Trade Area of the Asia-Pacific (FTAAP). ABAC welcomes progress towards achieving the Free Trade Area of the Asia-Pacific (FTAAP) as stipulated in the Beijing Roadmap. To this end, ABAC is committed to support and participate in the APEC Collective Strategic Study as a tangible first step to the realization of this transformative initiative in regional economic integration. ABAC’s focus will be on identifying gaps, from a business perspective, in coverage of existing FTAs, reasons for non-utilization of existing FTA provisions and identifying next generation trade and investment issues. ABAC is encouraged by the progress being made in implementing the Pacific Alliance and continue to urge the earliest completion of the negotiations of the Trans Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP) and other practical steps to promote regional economic integration. These negotiations should be mutually supportive and aim for an agreement that is high-quality, ambitious and comprehensive.

2. Supporting the multilateral trading system. ABAC believes that successful multilateral agreements remain key to improving the global trading system. ABAC underscores the importance of implementing the WTO Trade Facilitation Agreement (TFA), which will contribute to reducing costs and increasing efficiency in the movement of goods and provision of services. ABAC urges economies to complete their domestic ratification procedures prior to the Meeting of APEC Ministers Responsible for Trade and move towards immediate implementation of the TFA. ABAC hopes that completion of the TFA will lead to more effective engagement and progress in Geneva on the post-Bali work program of the Doha Development Agenda.

The Information Technology Agreement (ITA) is one of the most commercially successful trade pacts in the WTO driving growth, innovation, and creating jobs in both developed and developing economies. Consumers in the APEC region have been the biggest beneficiaries of this agreement by getting more innovative and more affordable information and communication technology (ICT) products. Additionally, the ITA has provided access to necessary components of high-value ICT products, encouraging greater integration in global value chains for manufacturing of these devices. Tremendous technology innovation has changed the ICT sector’s product landscape since 1996, and thousands of new ICT products have appeared on the market, yet not a single new tariff line has been added to the ITA in the past 19 years.

ABAC believes that strong leadership by APEC Leaders would have led negotiation participants to engage in finalizing the ITA expansion negotiations after the Leaders’ meeting in November last year. However, we are now seriously concerned that negotiations may have stalled again and lost their momentum. We strongly urge a swift conclusion to these negotiations.

3. Pursuing the new services agenda. ABAC has long highlighted the critical need for services and investment liberalization and facilitation as key factors in regional economic integration and connectivity, development and inclusive growth that result to improvement in the lives of the people.

Identifying the impediments to the growth of services industries in the region requires access to reliable and comprehensive data. ABAC calls for steps to be taken to ensure that the extension of trade in services data (Trade in Value Added (TiVA) and Services Trade Restrictiveness Index (STRI)) to cover all APEC economies be a matter of priority. ABAC looks forward to seeing the expansion of the APEC Services Trade Access Requirements (STAR) Database to cover all 21 APEC economies and more services sectors and provide more comprehensive information on market access and behind-the-border requirements for market entry in the various services sectors. ABAC likewise recognizes that collection of information regarding the impediments to services trade in the region will be best provided by well-structured and supported services organizations in every APEC economy, and to that end, propose the establishment of an APEC Coalition of Services Organizations to further promote the new services agenda.

4. Building more effective global value chains. ABAC has focused on strengthening of Global Value Chains (GVCs), and the integral role that services play, in advancing economic integration and connectivity in the region. ABAC continues to promote the Infrastructure Checklist, and initiatives to facilitate investment in infrastructure, in particular the value of the Asia-Pacific Infrastructure Partnership (APIP) Task Force. ABAC notes that the conclusion of comprehensive agreements such as the TPP and RCEP will be enormously instrumental in deepening the role of GVCs in the region. To ensure inclusiveness and enlarge the economic benefits of these agreements, we urge APEC Ministers to support participation by their own economies and accelerate completion of negotiation of these agreements. ABAC welcomes further cooperation to advance APEC's Strategic Blueprint on Global Value Chains and the measurement of TiVA data.

ABAC is collaborating with the APEC Policy Support Unit study on "Manufacturing Related Services in Supply Chains/Value Chains," noting that the services component of manufacturing supply chains contributes greater value than the manufacturing itself. We urge APEC Ministers to examine mechanisms, such as global data standards, to strengthen the resiliency of GVCs to enable business to navigate the challenges of natural disasters and economic crises, and in particular, to give focus to the greater impact on SMMEs.

5. Promoting trade in environmental goods and services. ABAC commends APEC for its foresight and initiative to promote trade in environmental goods and services in the region. Failure to follow through, however, will put the credibility and reputation of APEC at stake, as well as have an adverse impact on the course of the Environmental Goods Agreement negotiations in the WTO, an initiative APEC has welcomed. APEC therefore needs to honor its commitment to reduce applied tariff rates to five percent or less by the end of 2015 on the list of 54 environmental goods as endorsed by APEC Leaders in 2012 and reaffirmed annually since. ABAC also encourages APEC to take decisive action to address barriers to trade in environmental services.

6. Bridging gaps in infrastructure investment. According to the World Economic Forum, the estimated shortfall in global infrastructure debt and equity investment is at least US\$ 1 trillion per year. ABAC applauds APEC's efforts to address this gap by examining barriers to physical connectivity as part of its effort to implement the Blueprint on Connectivity. We look forward to supporting this effort through the implementation of the complementary Enablers of Infrastructure Investment Checklist. ABAC applauds the governments of Mexico, New Zealand, the Philippines, Russia and the United States for completing Checklist's self-assessment process and sharing outcomes with the ABAC. We encourage the governments of all APEC member economies to leverage this important tool in partnership with the business community by completing the Checklist this year.

The lack of a pipeline of bankable projects is a major obstacle to private sector investment in infrastructure in many economies. Through various initiatives, including the Asia-Pacific Infrastructure

Partnership, the network of APEC PPP Centers and the PPP Experts Advisory Panel that implement the third pillar of the Multi-Year Plan for Infrastructure Development and Investment (MYPIDI), as well as the Asia-Pacific Infrastructure Partnership and the ABAC Enablers of Infrastructure Investment Checklist, the public and private sectors are collaborating to address this challenge. ABAC invites APEC to take concrete steps to advance the first and second pillars of MYPIDI that the Leaders envisioned to be completed in 2016, providing transparent and predictable regulatory frameworks and integrated planning mechanisms. ABAC also calls on APEC to continue progressing the fourth pillar – promoting long-term investment – by developing deep, liquid and integrated capital markets, as well as equity and debt financing instruments through which institutional investors can pool capital to invest in infrastructure; by encouraging regulatory and accounting frameworks that take into account the region’s diversity and business models and incentivize insurers and pension funds to invest in long-term assets; and by promoting continued accumulation of long-term assets through retirement income reform in response to the needs of aging societies.

7. Enhancing investment performance in the region. ABAC has established the Regional Investment Analytical Group (RIAG), which met for the first time in early March, bringing together policymakers from regional investment promotion and facilitation agencies, as well as leading investment experts from multilateral development banks, international institutions and academics. RIAG will work on assessing regional investment policy frameworks and performance through the use of quantitative indicators of foreign direct investment flows into selected sectors in APEC economies and the policy practices of investment promotion agencies. ABAC will report the outcomes of this work to APEC Senior Officials and Ministers.

8. Enhancing supply chain connectivity. ABAC applauds APEC’s continued efforts to enhance competitiveness in the region by making it easier, cheaper and faster to conduct trade in goods and services across borders. A 2013 report by the World Economic Forum estimates that raising all economies’ supply chain performance halfway to global best practices on border administration, as well as transport and communications infrastructure, would increase global GDP by approximately US \$2.6 trillion and exports by US \$1.6 trillion.

ABAC calls on APEC economies to meet the 2010 Leaders’ objective of a 10% APEC-wide improvement in supply chain performance in terms of reductions of time, cost and uncertainty of moving goods through the region by the end of 2015. ABAC welcomes the progress made in areas such as the Model E-Port Network along with its operational center in Shanghai, and supports APEC’s innovative capacity building initiative to help developing economies improve supply chain performance and implement the WTO Trade Facilitation Agreement (TFA). To support the projects in this initiative, ABAC calls for additional resources for the Supply Chain Connectivity Sub-Fund. ABAC also seeks greater private sector participation in the new APEC Alliance for Supply Chain Connectivity (A2C2), a public-private forum that works with economies to advance the capacity building initiative and its projects. Furthermore, ABAC encourages APEC economies to utilize the A2C2 as a tool to expedite their commitment to the WTO TFA.

ABAC is delighted to see the progress made by member economies in developing pilot projects in relation to global data standards (GDS) focused on food, beverages and pharmaceutical products. Such standards provide a practical means to address supply chain connectivity, traceability and integrity, thereby improving the operation of regional supply chains and advancing APEC’s trade facilitation goals. To contribute to this work, ABAC is leading a pilot project designed to promote patient safety by measuring the benefits and efficiency gains that can be achieved through a common data standard for the serialization and verification of pharmaceutical products.

On Strengthening SMMEs

9. Strengthening and facilitating SMME entry into global markets. SMMEs in the APEC region account for a significant share of employment, exports and GDP. Access to international markets offers a host of business opportunities for SMMEs, including new niche markets; possibilities to exploit economies of scale, scope, volume and technological advantages; ways of spreading risks; lowering and sharing costs, and in many cases, affording improved access to finance.

ABAC believes that the globalization process for SMMEs can be realized through: (i) policies that promote innovation and commercialization of cutting-edge technologies; (ii) capacity building initiatives that encourage the adoption of internet-based tools such as e-commerce platforms and online portals to assist SMMEs to explore and conduct cross-border transactions; (iii) online tools and curriculum to promote SMMEs access to the supply chain and global value chain; (iv) sustainable financing for SMMEs to strengthen resilience against crises (e.g. financial crises, natural disasters, economic instability).

ABAC also calls for steps to enhance SMME access to finance as this remains a significant barrier to SMME expansion. Specific measures include the following:

(a) Facilitating supply chain finance to improve access to global supply chain. Supply chain finance provides an opportunity to help expand SMMEs' participation in regional and global trade, particularly under the current environment where access to and cost of working capital for SMMEs are being impacted by tighter rules on capital, liquidity and counterparty due diligence, among other issues related to the lack of enabling policy environments. ABAC recommends (a) legal and institutional reforms to facilitate debt financing secured by movable assets; and (b) promoting the use of e-commerce platforms, innovative working capital management tools and regional currencies for cross-border trade payment and settlement.

(b) Building the lending infrastructure for SMME finance. The lack of a legal and policy environment enabling wider use of reputational and movables collateral is a major challenge for many SMMEs in the region, which typically do not have the real estate collateral commonly preferred by lenders. Inclusive full-file and comprehensive credit information systems for both consumers and commercial enterprises enable entrepreneurs without physical collateral or accounts with formal financial institutions to access finance using their personal credit profiles from financial and non-financial transactions, as well as their enterprises' transaction and payments data. Robust legal architecture for movable asset lending and factoring with clear and effective enforcement mechanisms to protect creditor rights, efficient (e.g., centralized, exclusive and digitally accessible) collateral registries underpinning the perfection and priority of liens, and clear rules on priority enforceability and assignment of claims enable SMMEs to use movable assets (e.g., equipment and inventory), accounts receivables, intellectual property and other intangibles as collateral against loans. ABAC recommends the launch of pathfinder initiatives to develop effective and efficient operational infrastructure for credit information systems and secured transactions/movable asset finance.

(c) Encouraging innovative financing mechanisms for SMMEs. Developing a comprehensive suite of policy and regulatory options supporting innovative and diversified financing models can broaden the range of financing options and help meet the needs of SMMEs at different stages of growth, while at the same time encouraging banks to maintain an active presence in SMME markets through financing mechanisms enabled by data to assess individual companies' creditworthiness.. ABAC recommends that APEC initiate an SMME ecosystem review covering key issues, including regulatory frameworks, the environment for equity based financing options (e.g., angel, seed and venture capital) and Islamic finance, economy-specific framework for the responsible growth of crowd funding and digital finance

(e.g., customer data, privacy and protection practices, customer protection and financial literacy training on issues such as e-money, data gathering and cyber security), and an enabling role for government in blended public-private financing vehicles.

10. Fostering innovation. ABAC recognizes the vital role that SMMEs play in bringing new ideas to the market and play a vital role in fostering innovation in the 21st century. There is, however, a need to boost innovation by creating an ecosystem that supports enterprise creation and increase innovation capabilities of SMMEs. Partnerships and networking among innovation systems, including those involving large and small businesses and the public sector needs to be supported as part of a strategy that promotes innovation in more effective ways. We urge economies to adopt policies that will improve the environment for innovation, stimulate innovation, and increase the contribution of SMMEs to innovation.

11. Harnessing women's participation in the economy. Studies consistently demonstrate significant social and economic costs of women's underrepresentation in the APEC economies. While we applaud that steps have been taken to enhance women's economic participation, ABAC urges APEC Ministers to sustain the momentum to build on the gains. In 2015, ABAC is actively engaging the private and public sectors to consolidate best practices for increasing women's representation in the board room, corporate family responsibility, and integration of women-owned businesses into the global supply chain. ABAC looks forward to working with APEC to make continued strides toward a future of full economic inclusion of women.

12. Promoting good regulatory practice. In recent years, there has been an emerging recognition of the need to tackle behind-border issues that create unnecessary non-tariff barriers to free trade and investment. For businesses, and in particular SMMEs, higher compliance costs hinder international competitiveness and complicate the most efficient deployment of economic resources.

ABAC urges APEC to strengthen implementation of the three good regulatory practices (GRPs) agreed to by APEC Leaders in the Honolulu Declaration as well as the three GRP tools identified in the APEC Bali Declaration. In this regard, ABAC applauds the agreement in Beijing on the APEC Actions on public consultations on proposed regulations in the Internet Era and looks forward to assisting economies with implementing these actions through capacity building. Specifically, ABAC supports efforts to more closely align APEC economies' regulations with global best practices, utilize performance-based rather than prescriptive-based regulations, design regulatory institutions that promote trade-friendly regulation, and strengthen public-private cooperation through the use of consultation mechanisms to enhance accountability, promote mutual learning, and encourage best practices.

On Sustainable Development

13. Ensuring food security. Food security is vital for achieving more inclusive growth in the region. ABAC encourages the continued reduction in trade barriers that impede market access, investment and the efficient flow of food and agricultural goods. The private sector needs to be part of the solution for food security, working in partnership with governments. It has proved difficult to ensure an effective voice for business at the Policy Partnership for Food Security (PPFS). ABAC is prepared to continue to support this forum and has advanced proposals for strengthening private sector leadership and input.

14. Promoting green growth. The development of renewable energy sources, increased energy efficiency and application of energy efficient production techniques are key elements to achieving economic growth in an environmentally sustainable manner. ABAC continues to recommend that

economies introduce policies that stimulate renewable energy development, energy efficiency and conservation, encourage wider use of energy-saving equipment and techniques such as remanufacturing, and facilitate free trade of such goods and services.

15. Addressing energy security. Energy security is vital to economic growth. Recent global developments, including dramatic price volatility, supply uncertainties, and shifting demand patterns, threaten to jeopardize economic growth. As the largest net importer of energy in the world collectively, APEC economies should articulate collaborative regional policy goals and establish strategic plans designed to increase long-term economic security and environmental sustainability for the entire region.

ABAC encourages Ministers to eliminate tariff and non-tariff barriers and enhance stronger intellectual property rights (IPR) protections for energy production, low-carbon and renewable energy technologies, including advanced clean coal technology and carbon capture and storage and other environmental goods and services; relax liquid natural gas (LNG) destination clauses to create favorable conditions for trade and investment; encourage diversified and flexible LNG trading mechanisms; and phase out inefficient fossil fuel subsidies that distort the true cost of energy.

16. Promoting healthy workforces. Rapidly aging populations and the rising burden of non-communicable diseases (NCDs) pose a substantial challenge to sustainable economic growth. This trend has important implications for the wellbeing of communities, long-term care costs, as well as the productivity and availability of labor. Health-related absenteeism, disability, productivity losses and early retirement caused by poor health are a substantial concern for both the public and private sector. A 2014 study jointly commissioned by ABAC and the APEC Life Sciences Innovation Forum (LSIF) found that productivity losses within the six economies measured ranged from 3.5% to 5.3% of GDP in 2010. The same study projects that losses will increase to as much as 6.1% of GDP by 2030. ABAC urges governments to treat the study data as a call to action to proactively invest in healthy workforces and collaborate with the private sector to develop innovative solutions.

17. Expanding APEC's potential as a forum for mining sector collaboration. The mining sector plays a vital role in the economic success of all of APEC member economies by generating investment and driving regional trade. Close cooperation between governments and the private sector will be needed to promote the business friendly regulatory environments and best practices in sustainable mining that create positive outcomes for investors, economies and communities.

As noted in APEC's independent assessment of the Mining Task Force (MTF), the mining lifecycle involves all APEC economies, with the region consuming 60% and producing 70% of the world's minerals and metal and the MTF has an important role to play by bringing together the major producer and consumer economies in the region. ABAC applauds APEC's decision to renew the MTF mandate and the Philippines' decision to host a second Public-Private Dialogue in 2015. ABAC's 2014 Public-Private Dialogue with the MTF in Beijing, China and the creation of an MTF sub-fund for capacity building programs are important steps towards creating a more robust agenda on this important topic.

18. Facilitating access to trade finance. Trade finance is critical for the growth of Asia-Pacific trade. It enables secured and timely payments across borders, provides liquidity and funding, helps mitigate trade-related risks, and facilitates the flow of information about transactions. However, numerous factors, including laws, regulations and market practices, affect its availability and cost. To ensure its continued availability and reduce costs, ABAC recommends continuous dialogues to help financial regulators implement evolving capital, liquidity, counterparty due diligence and similar rules in a regionally consistent way that mitigates their unintended impact on suppliers' and buyers' access to affordable working capital.

19. Building resilient communities and small businesses through micro-insurance and disaster risk finance. The Asia-Pacific region has for decades experienced the largest number of natural disasters, with major economic consequences, as the concentration of people and business activities in hazard-prone areas continue to increase. The region's vulnerable low income population remains for the most part without access to safety nets (the percentage of low income people covered by insurance is 4.3 percent in Asia and 7.6 percent in Latin America). To help build financial inclusiveness and resilience of communities and small businesses, ABAC recommends that APEC design roadmaps for the development of micro-insurance and disaster risk finance, in collaboration with experts from the private sector and international organizations.

20. Supporting the Urban Infrastructure Network. The work of the Urban Infrastructure Network (UIN), established in 2014 and supported by ABAC, is on track to develop a holistic policy framework and action plan for sustainable urban infrastructure development. The UIN's work is organized in three work streams focusing on: (a) sustainable urban infrastructure policy and planning; (b) project development and implementation; and (c) infrastructure financing. The policy framework and action plans will include recommendations for regional policymakers on assessing sustainability of urban planning and policies, project development facilities for urban infrastructure delivery and the funding and financing options and instruments available to regional, economy-level and local governments for infrastructure. The UIN is expected to report its draft policy framework and recommendations to APEC Ministers and Leaders by the end of 2015.

On Connectivity

21. Upholding the Rule of Law. ABAC recognizes the need to create sound business environments that attract investments, create jobs, and bring development to the people. One of the basic building blocks for this sound business environment is the rule of law and its many features that include open and transparent government, absence of corruption, regulatory enforcement, fundamental rights, order and security, among others. More than half of APEC economies have been found to be underperforming on the Rule of Law. These economies are mainly investment recipients while investor countries are in the upper half. Recognizing that corruption has a negative impact on the ability of businesses and governments to operate effectively and ethically, ABAC endorses the APEC General Elements of Corporate Compliance adopted by APEC Leaders last November. The private sector has an important role to play in anti-corruption and we commit to sharing these Elements within our respective business communities. ABAC also encourages all economies to rigorously enforce their corruption laws and to actively participate in the newly created APEC Network of Anti-corruption Authorities and Law Enforcement Agencies (ACT-NET).

22. Promoting the Digital/Internet economy. The digital/Internet economy has been an active point of discussion in APEC throughout the years. ABAC supports the creation of the SOM level group on the Internet Economy, and looks forward to strong private sector engagement within this group. In 2014, ABAC established a digital economy work stream in the Connectivity Working Group, which aims to provide a unique, private sector perspective to APEC's work on the digital economy. ABAC also encourages APEC to promote SMME inclusion in the digital/Internet economy and plans to focus on policies that enable a strong digital/Internet economy - including the Internet of Things, big data and data analytics, and on broadband developments - as well as bridging the digital divide.

23. Promoting the efficient management of labor in the region. ABAC has for many years sought improvements in the management of the movement of the 30 million or more international workers around the region. It strongly encourages more APEC economies to commit to providing data for the APEC Regional Skills Map – a critical foundation for understanding the deepest and most challenging labor shortages in the region. It also strongly supports recent APEC efforts to improve

management of the movement of labor around the region, and encourages further consideration of the Earn, Learn, Return initiative launched and endorsed during 2014.

24. Facilitating travel within the region. More than 150,000 business travelers in the APEC region now benefit from the APEC Business Travel Card (ABTC). ABAC applauds the extension of the life of the card to five years, and in 2015, will be pressing APEC officials formally to endorse e-Lodgment of cards with the aim of simplifying and speeding the issuance of cards. Building on the experience of developing the ABTC, we encourage APEC officials to consider wider use of cards that facilitate travel around the APEC region, and commit to working closely on this within the APEC Travel Facilitation Initiative.