

Businesses Have 5 Recommendations for APEC Trade Ministers

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Sapporo, Japan, 1 June 2010 – As Trade Ministers from across APEC prepare for their annual meeting later this week, the APEC Business Advisory Council (ABAC) has delivered a set of five recommendations, with the intent that they be taken to APEC Leaders. These are:

Recommendation 1: ABAC recommends that Leaders should re-commit to achieving free and open trade within the APEC region. Taking account of the fundamental changes in APEC's economic and social structures over the last sixteen years, and the fact that we are now in the era of the post-industrialized knowledge-based economy, ABAC recommends that a new vision is needed, building on the Bogor Goals to reflect the changing nature of modern Asia Pacific regional supply chains and value chains. This vision should seek to liberalize flows of goods, services, investment, technology, e-commerce and people; and have a strong emphasis on balanced and inclusive growth and sustainable development.

Recommendation 2: ABAC recommends that Leaders agree that a Free Trade Area of the Asia-Pacific (FTAAP) is an aspirational but achievable vehicle for delivering free and open trade and investment within the region. ABAC is seeking from Ministers greater detail on the modalities and processes towards an FTAAP to enable active involvement by the business community.

Recommendation 3: ABAC recommends that Leaders recognize the importance of existing and progressing regional trade arrangements such as the Trans-Pacific Partnership, ASEAN+1, ASEAN+3, ASEAN+6 and CEPEA as potential pathways to delivering an FTAAP. As these existing arrangements evolve, they should draw on previously developed APEC model FTA chapters covering goods, services and investment and other new business requirements to guide their progress. ABAC further requests that Leaders of economies engaged in evolving regional arrangements direct their officials to share knowledge and substance about their respective negotiations in a timely and transparent fashion, while respecting the negotiating sensitivity of some issues.

Recommendation 4: ABAC recommends that as a new vision for APEC is developed, the business community is closely engaged so that policy makers draw on business leaders' expertise in identifying practical initiatives and proposing workable solutions. ABAC recommends that the links between the APEC Senior Officials' Meeting and ABAC processes be better defined and integrated.

Recommendation 5: ABAC recommends that as part of achieving the Bogor Goals or a new vision, Leaders direct the APEC Secretariat to develop an annual set of 'Regional Integration Metrics' to monitor each economy's progress towards greater regional economic integration and inclusive growth. Such indicators are essential for benchmarking performance and creating accountability from Leaders. ABAC recommends the creation of a one page "Regional Integration Dashboard" for each economy showing the level and change in various

indicators of liberalization, including but not limited to, the flows of goods, services, investment, technology and people.

In fact, a key component of ABAC's 2010 agenda is an assessment of APEC members' achievement of the Bogor Goals* from the business perspective. Last week, in a letter to Trade Ministers, ABAC members explained that:

“ABAC’s own review clearly identifies that many member economies have become considerably more open since 1994. Industrialized economies have made significant steps towards becoming more free and open, a trend apparent among developing economies as well.”

While the global economy has evolved considerably since 1994, ABAC cites a need to increase efforts toward deeper regional economic integration...

“More needs to be done to achieve the goal of free and open trade and investment in the APEC region. This needs to encompass trade in goods, services, investment, ideas and the movement of people.... Trade and investment facilitation are also essential tools to enhance economic growth.”

ABAC includes representatives from the business communities in each of APEC's 21 member economies. These representatives are appointed by APEC Leaders as a source of insight to the priorities and concerns of the business sector.

APEC Ministers Responsible for Trade (MRT) are to meet in Sapporo, Japan, 5 – 6 June.

**In 1994 in Bogor, Indonesia, APEC Leaders committed to the goals of free and open trade and investment in the region by 2010 for industrialized members and by 2020 for developing members.*

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