

ABAC TO PRESS LEADERS FOR DECISION ON FTAAP

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Yokohama, Japan, November 10, 2010 – Business leaders from the Asia-Pacific region will urge APEC Economic Leaders to take decisive action towards creating a Free Trade Area of the Asia-Pacific (FTAAP) when they meet later this week.

The APEC Business Advisory Council (ABAC) will ask APEC Leaders to reach a decision on the most effective pathways to delivering FTAAP, such as the Trans-Pacific Partnership (TPP), or an Association of Southeast Asian Nations' (ASEAN) framework, including the ASEAN+3 and ASEAN+6.

ABAC, comprised of business leaders from APEC's 21 economies, held its final meeting for the year, in the Japanese city of Yokohama, ahead of a dialogue with APEC Leaders on Saturday when they will highlight the priority issues for businesses in the region.

“While much has been achieved to making the flow of trade and investments in the Asia-Pacific region more free and open since APEC began, the world has changed,” ABAC Chair Gempachiro Aihara said.

“The changing nature of modern Asia-Pacific regional supply and value chains require deeper market integration for business to continue to grow,” he said.

“Responding to the changes that have taken place in the region requires a new APEC vision that seeks to further liberalize flows of goods, services, investment, technology and people by addressing not just border barriers but those behind-the-border as well.

“We believe that FTAAP is the most practical way of achieving this. This is why we have asked and will continue to urge our Leaders to make decisive steps toward the realization of FTAAP.”

In its letter and annual report to Leaders this year, ABAC stressed that making progress on the FTAAP is the best strategy for achieving regional growth that is balanced, inclusive, sustainable, innovative and secure. It will also ensure APEC's continuing leadership and relevance in the global economy.

To promote inclusive growth, ABAC is also calling for more action to further improve small, medium and micro enterprises' (SMMEs) access to finance, technology and other capacity building programs. Since SMMEs make up the majority of businesses in the region, their growth can enhance economic integration.

ABAC also expressed support for decisions taken at the G20 meeting of Finance Ministers last month in South Korea, to pursue structural reforms to boost and sustain global demand, foster job creation and increase potential growth.

“Regulators should strike a balance between the need for stronger capital requirements, and insuring capital and liquidity flow to businesses,” ABAC said in a separate statement.

“ABAC further supports G20’s initiatives to mitigate excess volatility and disorderly movements in exchange rates, and to avoid protectionist measures. ABAC believes that excessive exchange-rate volatility is an impediment to an open multilateral trading system and the free flow of goods, services and capital. “

About ABAC

ABAC brings together up to three business leaders from each of the APEC economies. They are appointed by APEC Leaders to provide insight to the priorities and concerns of the business sector.

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