



Press release – For Immediate Release

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## APEC Business Leaders Call for Action to Support SMEs and Boost FDI

*Urges Trade Ministers to Take Swift Measures to Establish a Free Trade Area of the Asia Pacific (FTAAP), Conclude WTO Doha Development Agenda*

**[Seoul, Korea] April 28, 2011**– The business leaders representing the 21 economies of the Asia-Pacific Economic Cooperation (APEC) today announced their recommendations on priorities for APEC’s trade and investment agenda. These recommendations will be formally submitted to APEC Trade Ministers and Small and Medium Enterprise Ministers in advance of their respective meetings to be held from 19 - 21 May in Big Sky, Montana.

ABAC identified and will provide recommendations to Ministers on addressing what it sees as the top four barriers to cross-border trade for SMEs: 1) access to finance, 2) lack of capacity to internationalize, 3) the need for transparency and open business environments and 4) inability to protect intellectual property rights.

“Taking APEC as a whole, SMEs make up roughly 90 percent of all businesses and employ nearly 60 percent of the work force, but they only account for around 30 percent of exports. It is critical that APEC SME Ministers take strong action to help these companies to increase their reach across borders,” said Deb Henretta, APEC Business Advisory Council Chair and Group President, Asia, Procter & Gamble.

ABAC will also call on Ministers to address the slow recovery of Foreign Direct Investment (FDI) in the region, noting that particular attention should be focused on actions aimed at accelerating the growth of FDI. Such actions include improving the predictability, transparency and efficiency of the legal and regulatory environment for investment and providing effective mechanisms for expedited approval processes and the resolution of disputes.

ABAC will urge APEC Ministers Responsible for Trade to take concrete steps towards greater regional economic integration through the establishment of a Free Trade Area of the Asia Pacific (FTAAP).

ABAC will recommend that a key objective of steps towards FTAAP should be to enhance the operation of integrated supply and value chains which reflect the way business is now increasingly being done in the region. As an incubator for ideas APEC has a key role to play in identifying blockages and overcoming barriers and impediments which would enhance competitiveness, make business more profitable, help companies better manage inventories and lower costs for consumers.

The APEC Business Advisory Council met in Seoul this week just after the Pascal Lamy, Director-General of the World Trade Organization, warned that, despite progress on the global trade negotiations, the differences in Non-Agricultural Market Access are effectively blocking progress and putting into serious doubt the conclusion of the Round this year. Concerned about the failure of the Doha Development Round, ABAC pressed APEC to make stronger efforts to bridge the gaps identified in the current stocktaking, and to give negotiators the flexibility to deliver an ambitious and commercially meaningful outcome.

#### **About ABAC**

The APEC Business Advisory Council (ABAC) was created by the APEC Economic Leaders in November 1995 to provide advice on the implementation of the Osaka Action Agenda and on other specific business sector priorities, and to respond when the various APEC fora request information about business-related issues or to provide the business perspective on specific areas of cooperation.