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Asia-Pacific business leaders call for greater economic dynamism with people at the center of the APEC agenda

The APEC Business Advisory Council (ABAC), meeting this week in Kuala Lumpur, Malaysia, expressed deep concerns about the growing pressures of economic fragmentation and the risks that this poses to growth, inclusion and the climate fight.

“We are at a critical juncture for the global economy and the planet. Business and governments must come together to act decisively to create a prosperous, sustainable and stable future for our communities,” said ABAC Chair 2024, Julia Torreblanca of ABAC Peru. “As business advisors to the APEC Leaders, we are committed to playing our role in collaboratively tackling these challenges for the benefit of our people.”

ABAC members engaged this week in broad-ranging discussions with APEC Senior Officials, focused on the key issue areas of work outlined by ABAC Peru. These discussions are the first of many public-private interactions with APEC Senior Officials and Ministers and set the stage for another year of ambitious collaboration.

“Our theme for the year is ‘People, Business, Prosperity’, to guide our work across key issues including trade and investment facilitation, digital transformation, sustainability, and inclusion,” the Chair said.

According to the APEC Policy Support Unit, FDI inflows into the APEC region have been falling (-9% in 2022) despite the fact the bloc performs better than global average at investment facilitation. “Seeing APEC FDI inflows decrease even with post-covid rebound is concerning. Action is needed urgently to get us back into the route of sustainable economic growth.”

One of ABAC’s priorities for 2024 is strengthening the economic architecture of the region, working closely with APEC colleagues to make tangible progress towards the Free Trade Area of the Asia-Pacific (FTAAP). “The eventual FTAAP should draw on the best of the high-quality trade agreements in the region,” said Torreblanca. “We should build towards that now through practical initiatives, for example digital trade coherence and responsible artificial intelligence, supply chains, women’s access to financing and the trade tools we need to fight climate change.”

Another ABAC 2024 priority is to develop practical ideas about how to support the transition from the informal to the formal economy. “This is a real challenge for many developing economies in the region, hindering our ability to fulfil our economic potential and provide people with more and better opportunities. We want to develop pragmatic approaches that can help shift the dial,” added the ABAC Chair.

ABAC also issued a statement for the upcoming World Trade Organization Ministerial Conference, MC13, urgently calling for Trade Ministers to drive ambitious outcomes, including the reinstatement of the full functioning of the dispute settlement system, and a permanent ban on tariffs on electronic transmissions.

Lastly, the ABAC Chair noted that “We are deeply grateful to the Malaysian government for their support in hosting this meeting. We specially thank the Honourable Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Investment, Trade and Industry, and the Honourable Liew Chin Tong, Deputy Minister, who shared critical insights which will serve as valuable inputs to our work.”

ABAC will convene its next meeting in late April in Hong Kong, China as it works to develop its recommendations for presentation to APEC Leaders during their summit in November.

APEC Member Economies: Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States of America; and Viet Nam.

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.

Under Peru’s leadership, ABAC is pursuing a work program under the theme “People. Business. Prosperity.” to respond to the challenge of maintaining the economic vitality of the Asia-Pacific Region and ensure it benefits all.

ABAC 2024 Chair is Julia Torreblanca (Peru) and the Co-Chairs are Dominic Ng (USA) and Hyunghee Lee (Korea), with three (3) working group chairs, namely: Rachel Taulelei, Regional Economic Integration Working Group (REIWG); Ning Gaoning, Sustainability Working Group (SWG); and Tom Harley, Human Development Working Group (HDWG); and two (2) Task Force Chairs, namely: Jan De Silva, Digital and Innovation Task Force (DITF); and Hiroshi Nakaso, Finance and Investment Task Force (FITF).

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