

ABAC Report to APEC Economic Leaders Executive Summary

Introduction

This is a pivotal moment in history, with unprecedented challenges requiring bold responses. The world faces the greatest health crisis in a hundred years and also the greatest economic crisis since the 1930s. ABAC urges APEC Economic Leaders to strengthen collaboration and cooperation, which has been the hallmark of APEC for thirty years, and provide leadership in placing the region on a pathway to economic recovery.

Under the theme “Integration, Innovation, Inclusion: Moving Towards Economic Recovery and Resilience”, ABAC focused this year on addressing the needs of regional recovery and building greater resilience for future shocks.

To achieve the above priorities, ABAC submits the following recommendations:

1. Integration

- Support the multilateral trading system through a strong commitment to a credible, relevant and strengthened World Trade Organization (WTO) that reflects evolving business needs and models. This would include: reforming WTO rules to enable better responses to crises, including through sectoral elimination of tariffs and non-tariff barriers on essential medical supplies and measures to ensure that supply chains are resilient; resolving the unfinished business from the Doha Round; enabling the WTO dispute settlement to operate to its fullest extent as a matter of urgency; and supporting initiatives to reflect the evolution of trade, including through enhanced transparency and achieving a meaningful outcome in the e-commerce negotiations.
- Find consensus and promote work towards the eventual realization of the Free Trade Area of the Asia-Pacific (FTAAP), advancing regional economic integration through liberalization of trade and investment and incorporating emerging next generation issues faced by business, taking account of the transformational challenges posed by the pandemic.
- Support the services industries through the continued implementation of the APEC Services Competitiveness Roadmap and promote recovery of the tourism sector in the APEC region through safe and seamless border management. In particular, APEC economies should work collaboratively and coordinate with the private sector towards consistent, practical and agreed rules for the harmonization and standardization of safety protocols across the region for the reopening of borders.

2. Innovation

- Promote the development of more secure, accessible and affordable physical digital infrastructure, including broadband, particularly in underdeveloped areas, and a more open, non-discriminatory and robust enabling regulatory environment for digital transformation.
- Address unnecessary barriers to, and build trust in, cross-border data flows and expand international regulatory cooperation to develop interoperability mechanisms. Initially, the focus should be on privacy, consumer protection and cybersecurity.
- Encourage adoption of artificial intelligence (AI), introduce supportive policy frameworks, improve regulatory coherence, interoperability and international cooperation, and prepare jobs and skills for the transformations of AI.

3. Inclusion

- Enable micro, small and medium enterprises' (MSMEs) access to finance and markets by accelerating digitalization and financial innovation such as inclusive open banking and know-your-customer (KYC) procedures.
- Enhance women's economic empowerment, including through the implementation of the La Serena Roadmap for Women and Inclusive Growth and by ensuring that gender equality perspectives are incorporated in COVID-19 policy design and response in APEC economies.
- Promote reskilling and upskilling of MSMEs, including their digital transformation, to ensure business continuity and participation in international trade and commerce.

4. Sustainability

- Introduce measures to incentivize reusing, repurposing and recycling of materials, and minimize carbon emissions throughout the lifespan, including the roll out of policies to assist the transition from high carbon to low carbon, such as simplifying the approval for the promotion and application of low-carbon technologies, collaboratively sharing policies and best practices in the APEC region and encouraging low-carbon footprint in the consumption of energy intensive products and services.
- To underpin food security, support trade in food and agriculture to keep food trade flowing and markets open by removing unjustified export restrictions, eliminating non-tariff barriers, and broadening adoption of digital trade facilitation, such as the acceptance of electronic documentation.
- Enable lenders and investors to incentivize businesses in the region, especially MSMEs, to progressively adopt sustainable practices through an active APEC role in developing global standards for incorporating environmental, social and governance factors in financing decisions.

5. Post-2020 Vision

- Adopt a Post-2020 Vision which ensures that: free and open trade and investment, including the multilateral rules-based trading system, is able to continue to play its central role in sustainable and inclusive growth and have at its heart the FTAAP, as the logical next stage of the Bogor Goals; embody the concept of collaboration and cooperation through an “Asia-Pacific economic community” – one which is both inclusive and resilient; and ensures that sustainability, including climate change mitigation and adaptation, are explicit goals.

Conclusion

The responsibility to be decisive, to take immediate steps to recover and rebuild our region, also offers enormous opportunity – to act with forward thinking purpose, to create a better version of our region and ensure we are prepared for the future shocks which we know will inevitably come.