
Asia-Pacific business stress vital importance of WTO, climate change mitigation and leveraging of the digital economy

APEC Business Advisory Council members have agreed on the recommendations they will make to APEC Leaders in Santiago, Chile, in November.

Senior business representatives from around the Asia-Pacific voiced strong support this week in the Chinese city of Hangzhou for the World Trade Organization (WTO) and a rules-based multilateral trading system. The group also stressed the importance of incorporating policies to mitigate and prevent negative climate change impacts, most notably on the most vulnerable communities. In addition, they underscored the enormous potential benefits from the digital economy and innovation for businesses, especially for women and micro, small and medium-sized enterprises (MSMEs) in the region.

“We are in the business of helping leverage opportunities and resolve problems from a business perspective. This will allow people and communities more widely to share the benefits from free trade,” said APEC Business Advisory Council (ABAC) Chair Mr. Richard von Appen. “I was delighted to see the determination among my ABAC colleagues to help navigate a path through some formidable challenges such as trade tensions and environmental sustainability. We stand ready to play our part – whether around keeping markets open, coming up with innovative ideas on climate change, or mapping out an enabling environment for revolutionary new business models.

Preparing for deeper engagement with APEC Economic Leaders

Mr. von Appen pointed out that as trade has expanded in recent decades a billion people have been lifted out of poverty, and inequality among economies has fallen.

“GDP and trade growth, based on free and fair trade and open markets, used to be at the core of business activity. But nowadays it is not only about that – but also about human development, human-centered policies and overall inclusiveness. The business community is committed to further addressing these issues going forward”, he added.

In Hangzhou, ABAC focused on finalizing a letter and report for APEC Economic Leaders and beginning to prepare for the annual Dialogue, which takes place in November in Santiago.

WTO, climate change and digitalization are the priorities

“Most pressing is the parlous state of the global trading system. We will be delivering a strong message to Leaders. It is now urgent that we resolve the crisis in the WTO’s dispute settlement system. Specifically, the impasse involving the appointment of members of the Appellate Body requires immediate resolution. We also need to reform the rules to make sure that the WTO remains relevant and fit for purpose – including to ensure that modern business models can flourish, and that women and MSMEs can access the opportunities and benefits of the global economy.

“This is crucial for every economy, large or small, to promote the benefits of free trade not only for economic reasons, but also to keep a permanent dialogue on common challenges and opportunities. We should not take the WTO for granted; in the current global environment it would be almost impossible to create a new organization like that if the current one was to disappear, which would negatively impact developing economies”, von Appen said.

“The vital context for that, of course, is continuing with the critical work of deepening regional economic integration,” Mr. von Appen said. “ABAC remains strongly committed to an eventual Free Trade Area of the Asia Pacific,” he added.

“Sustainability, most crucially climate change, is also one of our priorities. This is the vital challenge of our age, and we think business can play a real role in helping to develop innovative ideas on climate change and supporting the transition to a sustainable, resilient and low-carbon economy not only for current, but more importantly for future generations.

Mr. von Appen also pointed out ABAC’s priority of enabling the digital economy. “It is fitting that we are meeting in Hangzhou, rightly known as a showcase for digital innovation. We will be reminding Leaders that the dynamic and inclusive APEC region to which we aspire demands a future-ready workforce, robust digital infrastructure across all economies, and an open, market-oriented regulatory environment, above all to channel talented people from all around the region to provide innovative products and services” said Mr von Appen.

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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 Chile’s leadership, ABAC is pursuing a work programme under the theme “Inclusive and Collaborative Growth in the Digital Area” to respond to the challenge of maintaining the economic vitality of the Asia-Pacific Region and ensure it benefits all. There will be two priorities: inclusive trade policy to foster growth in the digital era and advancing regional economic integration.

ABAC 2019 co-chairs are Dato Robana Mahmood and David Tona, with five (5) working group chairs, namely: Sir Rod Eddington, Regional Economic Integration Working Group (REIWG); Nobuhide Hayashi, Finance & Economics Working Group (FEWG); Hafimi Abdul Haadi, MSME & Entrepreneurship Working Group (MSMEEWG); Ning Gaoning, Sustainable Development Working Group; and Saw Ken Wye, Digital & Innovation Working Group (DIWG)

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