
ABAC Urges APEC to Prioritize Structural Reform To Maintain Economic Growth Momentum

Port Moresby, April 27, 2016 – “This is a fragile time for the global economy. Expanding trade and investment liberalization and undertaking structural reform are the keys to achieving a more stable growth trajectory for the economies in the Asia-Pacific region.” This is the key message that the APEC Business Advisory Council (ABAC) will convey to APEC Ministers of Trade when they gather next month in Arequipa in Peru.

“Structural reform promotes good governance. That leads to sound policy and regulation which enhance the flow of trade and investment, spurs new sources of growth such as the services sector, raises productivity and promotes innovation,” said Juan Raffo, ABAC Chair 2016. “Addressing behind-the-border barriers through regulatory reform reinforces the progress we are making in lowering barriers at the border. It benefits large businesses and assists micro, small and medium enterprises (MSMEs) as well.”

“We see a high quality, comprehensive and ambitious Free Trade Agreement of the Asia Pacific (FTAAP) as an effective vehicle for achieving necessary reforms on both sides of the border. So we will be asking the Ministers to pick up the pace around the pathways towards FTAAP, ratification in the case of the Trans-Pacific Partnership (TPP) and completion of negotiations of the Regional Comprehensive Economic Partnership (RCEP),” said Raffo. “Business will also continue to make detailed input to the Collective Strategic Study currently being undertaken by APEC. In particular we want to ensure that an eventual FTAAP remains relevant to business and takes account of constantly evolving circumstances.”

Since its inception, ABAC has placed great importance on the role of MSMEs in driving entrepreneurship and employment. The Business Council will call on APEC to expand efforts to promote MSMEs access to global markets, new technologies and finance. To emphasize that point, ABAC co-sponsored an E-Commerce in SME Summit on the margins of this meeting that attracted more than 700 participants from the PNG MSME sector.

ABAC has also attached priority to developing the services sector, which is the single biggest contributor to employment (46%) and output (70%) in APEC as well as enabling significant participation by MSMEs. Business leaders will convey to Trade Ministers their strong support for APEC initiatives that pave the way for more coherent, transparent and efficient regulatory environments which are conducive to the growth of the services sector.

ABAC members will submit to Ministers detailed recommendations that promote foreign direct investment, strengthen food security, achieve strong and deep connectivity and uphold the rule of law - all of which are fundamental to sustained quality growth.

PNG’s Minister of Finance James Marape gave the opening remarks to the Meeting. He outlined PNG’s economic prospects and stressed his government’s commitment to supporting APEC as PNG prepares to assume the Chairmanship of APEC in 2018.

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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. ABAC was created by APEC Leaders in 1995 to be the primary voice of business in APEC. In 2016, Under Peru's leadership ABAC is pursuing a work program under the theme "Quality Growth and Human Development" to respond to the challenge of maintaining the economic vitality of the Asia-Pacific Region and ensure it benefits all. There will be four tracks: consolidating progress towards the Free Trade Area of the Asia-Pacific; facilitating MSME development through access to global markets and new technologies; promoting economic growth, diversification and sustainability; and strengthening the rule of law and economic and social sustainability.

ABAC 2016 co-chairs are Hoang Van Dung and Doris Ho, with five (5) working group chairs, namely: Sir Rod Eddington, Regional Economic Integration Working Group (REIWG); Hiroyuki Suzuki, Finance & Economics Working Group (FEWG); Dato Rohana Mahmood, MSME & Entrepreneurship Working Group (MSMEEWG); Bart Peterson, Sustainable Development Working Group (SDWG); and Anthony Nightingale, Connectivity Working Group (CWG).

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