

Business must focus on open trade benefits and adverse impacts

Bangkok, 23 February 2017 – Asia-Pacific business leaders must communicate more effectively the benefits of globalization and address its adverse impacts, according to members of the APEC Business Advisory Council (ABAC) who met this week in Bangkok, Thailand.

ABAC also reinforced the importance of ongoing regional and multilateral cooperation and collaboration between economies. This has facilitated stability and greater coordination of economic and social development amongst economies.

The world has recently undergone broad structural changes as a result of globalization and technological innovation and while the Asia-Pacific region has broadly benefitted from these shifts, the rate of change and economic integration has also contributed to income inequality, social dislocation, and discontent.

“No economy has developed successfully in modern times without opening its economy to international trade, investment, and the movement of people. But to continue globalization its benefits need to be more broadly shared. The objective must be more socially inclusive growth and development,” said Hoang Van Dung, the 2017 ABAC Chair. “We in business can do better to demonstrate not just the economic benefits, but also to work with our governments to establish policies that address dislocations and worker skill development.”

Globally, trade liberalization has lifted more than a billion people out of poverty over the past three decades. Cooperation in the APEC region over the last 20 years has raised more than 700 million out of poverty, with GDP per capita increasing over 5 times. “This liberalization has made the Asia-Pacific region the most dynamic in the world, and continues to foster optimism about our strength and growth prospects going forward,” said Mr. Hoang.

While the net benefits of continuing to liberalize are clear, recognizing the private sector’s role in addressing the impact of globalization, ABAC has committed to work with the University of Southern California, Marshall School of Business to develop a study on how the benefits of globalization can be more broadly shared. The report will gather business, government and academic perspectives throughout the APEC region to identify successful approaches and practical steps for achieving more socially inclusive growth and development.

The final report and recommendations will be shared with the 21 APEC Leaders and Ministers at the concluding 2017 APEC meetings in Da Nang, Vietnam.

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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 Viet Nam’s leadership, ABAC is pursuing a work programme under the theme “Creating New Dynamism, Fostering Shared Future” 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: deepening regional economic integration; achieving sustainable, innovative and inclusive growth; enhancing MSMEs’ competitiveness and encouraging innovation in the digital era and ensuring food security and promoting sustainable and climate smart agriculture

ABAC 2017 co-chairs are David Tona and Juan Francisco Raffo, with five (5) working group chairs, namely: Sir Rod Eddington, Regional Economic Integration Working Group (REIWG); Richard Cantor, Finance & Economics Working Group (FEWG); Dato Robana Tan Sri Mahmood, MSME & Entrepreneurship Working Group (MSMEEWG); Ning Gaoning, Sustainable Development Working Group; and Anthony Nightingale, Connectivity Working Group (CWG).

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