



**His Excellency Xi Jinping**

Chair, Asia-Pacific Economic Cooperation  
President, People's Republic of China  
Beijing, China

Your Excellency:

It is our great privilege to present to you the report and recommendations of the APEC Business Advisory Council (ABAC) for 2014.

ABAC shares your ambition to achieve economic growth and prosperity. Accelerating freer trade and investment, building infrastructure and promoting innovation especially by small, medium and micro-enterprises are essential for reaching these objectives.

Twenty years ago, APEC set forth the Bogor Goals of free and open trade and investment in the region by 2020. In 2006, Leaders adopted our recommendation that a Free Trade Area of the Asia-Pacific (FTAAP) would be the most effective means for achieving the Bogor Goals. In the face of the 2020 deadline, we need your leadership to guide the further development of an FTAAP that is built around the highest standards and with the broadest possible coverage. That is what would most benefit businesses - large and small - across the region. We encourage you to adopt a roadmap for FTAAP, which builds on progress in the various negotiations now underway and is coherent with existing bilateral and plurilateral agreements. Efforts to achieve an FTAAP will be bolstered by promoting supply chain connectivity, liberalizing cross-border services trade and taking more ambitious positions in the World Trade Organization negotiations.

The full benefits of an FTAAP cannot be realized without robust infrastructure to connect our region more efficiently. However, the current level of infrastructure investment in the region is inhibiting economic growth. The private sector has the capacity to help bridge the gap. Governments can spur private investment and domestic consumption by creating a better policy environment, developing more public-private partnerships and mobilizing long-term savings through the development of capital markets and effective regulatory frameworks. Multilateral institutions also have a vital role to play. In this respect, ABAC welcomes and supports the expansion of multilateral financing facilities for infrastructure development.

ABAC commends APEC for setting "Promoting Innovative Development, Economic Reform and Growth" as one of the main priorities for 2014. Efforts to promote innovation will address the recent decline in productivity growth. Further commitment to support small, medium and micro-enterprises, empower women and address issues such as urbanization, food security, health and green growth will sustain the Asia-Pacific as the engine of global prosperity.

Our report addresses these issues and sets out in greater detail a full range of initiatives in the areas of regional economic integration; infrastructure and connectivity; small, medium and micro-enterprises; sustainable development; and finance. We commend this report to you and look forward to discussing our recommendations with you during our dialogue in Beijing in November.

Yours sincerely,

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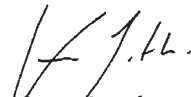


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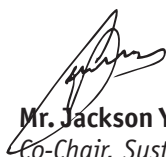


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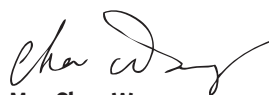
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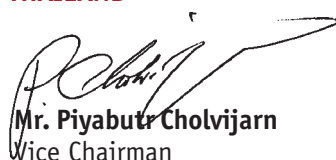


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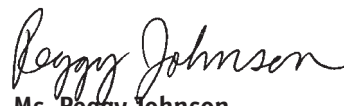


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