
Asia-Pacific Business Leaders call for more open trade and investment to sustain the economic recovery

Singapore – Business leaders from the Asia-Pacific region comprising the APEC Business Advisory Council (ABAC) concluded their final meeting for 2009 today and are preparing for their dialogue with APEC Leaders on Saturday.

“Our dialogue enables us to put directly to APEC Economic Leaders our recommendations for sustaining the economic recovery in the region. The dialogue will draw on the fruitful discussions we have been having over the last few days in Singapore and builds on the work we have done throughout the year to influence the APEC process” said ABAC Chair Teng Theng Dar.

While ABAC sees the global recession as having hit bottom and starting to rebound, there are considerable risks remaining. Of greatest concern are rising unemployment and continuing weak demand which increase the risk that affected economies might introduce protectionist measures and trade distorting subsidies.

“In our annual report we have urged APEC Leaders to take prompt action to reverse recent trade restrictive measures, including the rise of non-tariff barriers; complete the Doha Round; and initiate the Free Trade Area of the Asia-Pacific (FTAAP). This is the best way of mitigating these risks to the economic recovery” said Mr Teng.

Mr Teng said that initiating the FTAAP was a significant step that could be taken to lay the foundation for sustainable growth in the region.

“In our meeting we agreed that we will focus our energy in getting APEC to set the stage for commencing negotiations for FTAAP as soon as possible. While we all agree that the successful conclusion of the Doha Round is a priority for 2010, business is not holding its breath. It has been eight years of broken promises after all and business models have since evolved requiring new responses”

Mr Teng said that FTAAP could show the way in responding to business needs under evolving supply chain conditions by going beyond just trade but encompassing services, investments and behind-the-border issues of concern to business.

“Mindful of the differing conditions within economies and across the region, we believe that the FTAAP should be underpinned by the goal of inclusive growth so that all may benefit.”

ABAC is also calling on APEC economies to facilitate the flow of investments by improving transparency in investment regulations, expediting decision making, harmonizing procedures and establishing a robust legal framework. With an eye towards the upcoming climate change summit in Copenhagen, ABAC has called for an agreement that provides business with a predictable and stable environment.

Mr Teng said that improving labour mobility in the region had emerged in the ABAC discussions as a significant new issue.

“There is an increasing mismatch between the needs of industry and the availability of domestic workers for certain skill sets. We are therefore requesting that Leaders include in the APEC agenda for next year discussions of best practices for the more rational management of flows of temporary workers. It will be important that this is done in a way that meets the requirements of business while minimizing any potential adverse impact on both sending and receiving economies”.

Incoming 2010 ABAC Chair Gempachiro Aihara also revealed ABAC priorities for next year which, aside from the evaluating the achievement of the first set of Bogor Goals, will include the strengthening of economic structures to achieve balanced growth, achieving closer regional integration – in particular by setting in motion the realization of FTAAP with a timeline and in advancing supply chain connectivity initiatives – and promoting harmony with the environment in pursuing growth.

ABAC was created by APEC Leaders to provide them the business perspective on regional economic integration. Its members are appointed by the Leaders of each APEC member economies. Teng Theng Dar of Singapore is the current chair of ABAC.

For more information, please contact:

Mr. Martin Yuoon, ABAC Executive Director 2009, Tel: (65) 6827-6886, Email: mkhyuoon@sbf.org.sg

Mr. Antonio Basilio, ABAC Secretariat, Tel: (63 2) 845-4564, Email: abacsec@pfgc.ph

Ms. Tran Bao Ngoc, APEC Secretariat, Tel: (65) 6891 9616, Email: tbn@apec.org