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## **APEC BUSINESS LEADERS URGES G20 LEADERS TO STAMP OUT PROTECTIONIST INCLINATIONS AHEAD OF APRIL 2 MEETING**

**1 April 2009**

Ahead of the G20 Summit which will take place in London tomorrow, business leaders from the APEC Business Advisory Council (ABAC) issued a letter to the 9 Heads-of-Government from the 21 APEC economies who are involved in the G20 meeting, re-iterating the strong call for clear and coordinated action by both APEC and non-APEC G20 members to fight against protectionist inclinations.

Asserting its continued support for the G20 Washington Summit Declaration and APEC Leaders' Lima Declaration made last November, against raising new barriers to investment and trade in goods and services within the next 12 months; ABAC urges the G20 Leaders to refrain from faltering under domestic pressures and 'backsliding' from their commitments.

In its message to the G20 Leaders, ABAC highlighted the importance and urgency for the governments to work towards maintaining free and open markets to encourage trade & investment flow for the restoration of market confidence and thus help in accelerating economic recovery.

The Council which comprises 63 business leaders, elected by the respective 21 APEC governments to represent the private sector views and concerns, also encouraged the G20 Leaders to remain steadfast in supporting the conclusion of the World Trade Organization (WTO) Doha Development Agenda (DDA), to deter any protectionist tendency.

To emphasize its consistent and firm stance, ABAC also shared in its correspondence to the G20 Leaders, updates from its first meeting held in February this year in Wellington, New Zealand.

Taking practical steps to address the current dire economic situation, ABAC will be embarking on a two-pronged approach in which it will top off its usual year-end recommendations to the APEC Leaders with an additional set of mid-year recommendations. This timely submission of business feedback and ideas to the APEC Leaders will seek to address immediate challenges posed by the current global crisis and expedite the economic recovery.

Further to that, ABAC has also concurred in its first meeting to establish a mechanism for monitoring compliance with the key elements of the G20 undertakings. Such a mechanism is expected to address the present financial challenges and compliance with WTO commitments in the context of the specter of rising protectionism.

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## **About G20**

The Group of Twenty (G-20) Finance Ministers and Central Bank Governors was established in 1999 to bring together systemically important industrialized and developing economies to discuss key issues in the global economy. The inaugural meeting of the G-20 took place in Berlin, on December 15-16, 1999, hosted by German and Canadian finance ministers.

The G-20 is an informal forum that promotes open and constructive discussion between industrial and emerging-market countries on key issues related to global economic stability. By contributing to the strengthening of the international financial architecture and providing opportunities for dialogue on national policies, international co-operation, and international financial institutions, the G-20 helps to support growth and development across the globe.

The G-20 was created as a response both to the financial crises of the late 1990s and to a growing recognition that key emerging-market countries were not adequately included in the core of global economic discussion and governance. Prior to the G-20 creation, similar groupings to promote dialogue and analysis had been established at the initiative of the G-7. The G-22 met at Washington D.C. in April and October 1998. Its aim was to involve non-G-7 countries in the resolution of global aspects of the financial crisis then affecting emerging-market countries. Two subsequent meetings comprising a larger group of participants (G-33) held in March and April 1999 discussed reforms of the global economy and the international financial system. The proposals made by the G-22 and the G-33 to reduce the world economy's susceptibility to crises showed the potential benefits of a regular international consultative forum embracing the emerging-market countries. Such a regular dialogue with a constant set of partners was institutionalized by the creation of the G-20 in 1999.

The G-20 is made up of the finance ministers and central bank governors of 19 countries: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom and the United States of America, and also the European Union who is represented by the rotating Council presidency and the European Central Bank. To ensure global economic fora and institutions work together, the Managing Director of the International Monetary Fund (IMF) and the President of the World Bank, plus the chairs of the International Monetary and Financial Committee and Development Committee of the IMF and World Bank, also participate in G-20 meetings on an ex-officio basis. The G-20 thus brings together important industrial and emerging-market countries from all regions of the world. Together, member countries represent around 90 per cent of global gross national product, 80 per cent of world trade (including EU intra-trade) as well as two-thirds of the world's population. The G-20's economic weight and broad membership gives it a high degree of legitimacy and influence over the management of the global economy and financial system.

## **About Asia-Pacific Economic Cooperation (APEC)**

Asia-Pacific Economic Cooperation, or APEC, is the premier forum for facilitating economic growth, cooperation, trade and investment in the Asia-Pacific region.

APEC is the only inter governmental grouping in the world operating on the basis of non-binding commitments, open dialogue and equal respect for the views of all participants. Unlike the WTO or other multilateral trade bodies, APEC has no treaty obligations required of its participants. Decisions made within APEC are reached by consensus and commitments are undertaken on a voluntary basis.

APEC has 21 members - referred to as "Member Economies" - which account for approximately 40.5% of the world's population, approximately 54.2% of world GDP and about 43.7% of world trade.

APEC's 21 Member Economies are Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Republic of the Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; Viet Nam. For more information: [www.apec.org](http://www.apec.org).

#### **About APEC Business Advisory Council (ABAC)**

The APEC Business Advisory Council (ABAC) was created by the APEC Economic Leaders in November 1995 to provide advice on the implementation of the Osaka Action Agenda and on other specific business sector priorities, and to respond when the various APEC fora request information about business-related issues or to provide the business perspective on specific areas of cooperation.

ABAC comprises of up to three members of the private sector from each economy. ABAC members are appointed by their respective Leaders, and represent a range of business sectors, including small and medium enterprises. The economy determines the term of membership of each appointee as well as its own administrative arrangements and staff support.

The ABAC International Secretariat based in Manila, the Philippines serves all members and all economies and maintains a website. Funding is provided through a system of annual dues, which are structured to reflect the size of each economy, following the APEC formula. For more information: [www.abaconline.org](http://www.abaconline.org) and [www.sbf.org.sg/abacsg](http://www.sbf.org.sg/abacsg).