

November 3, 1997

The Right Honorable Jean Chretien
Prime Minister of Canada
Chair, Asia-Pacific Economic Cooperation
Langevin Block, 80 Wellington Street
Ottawa, Ontario, Canada K1A 0A3

Prime Minister:

It is an honor for us to present to you, as Chair of the Asia-Pacific Economic Cooperation (APEC) Business Advisory Council (ABAC). We thank the Economic Leaders for supporting our 1996 recommendations in their Subic Declaration and for holding the first dialogue with us in Manila last year. The business community warmly welcomes the opportunity to have a more direct and effective involvement in the APEC process.

We have set out this year to ensure the momentum of the business sector's involvement in APEC. We have worked to help the governments of APEC economies implement the recommendations we made last year. We have briefed the various ministers and senior officials on our priorities and work program this year, and solicited their suggestions on areas where ABAC could contribute more to APEC's progress. We have also directly undertaken activities that will assist in the achievement of APEC's objectives.

In this report, we assess the Manila Action Plan for APEC (MAPA) and present our recommendations for enhancing the relevance of future action plans to the business community, further develop several ideas we recommend in our report last year, and put forward a few, carefully chosen new proposals to help APEC in addressing important business concerns. These recommendations are the ones we think would be most effective in building APEC's momentum. We sincerely hope that the Economic Leaders will endorse and give their full support to these views and proposals.

We recognize that implementing the MAPA and the other commitments in pursuit of APEC's success can entail considerable adjustment costs and present governments with difficult choices. The recent currency instability in Asia, which affects all of APEC, shows the seriousness of the problems that economies can encounter as they become more integrated with the global economy. We believe that these problems do not

make the need for continuing liberalization less urgent, but they show that if liberalization is to proceed, APEC economies must devise cooperative measures to address issues such as currency instability. Such cooperation is essential to continuing the APEC process, a process that will contribute enormously to the welfare of the entire Asia-Pacific community over time, increasing trade and investment, building national capacities, promoting the efficient allocation of resources, and generating employment and prosperity.

ABAC sees the need for business and government to work together in building support for APEC, and affirms its full support for efforts being undertaken by governments of member economies to bring the process forward. We assure the Economic Leaders that their endorsement and adoption of our proposals will lead to stronger business sector support for their initiatives and the APEC process. We look forward to a fruitful meeting in Vancouver, and to a stronger partnership between business and government in translating APEC's vision into reality, for the benefit of all in our community.

Yours truly,



Mr. Paul Gobeil, FCA
Vice Chairman of the
Board of Directors
Metro-Richelieu, Inc.
Canada
CHAIRMAN
APEC BUSINESS ADVISORY
COUNCIL