

27 March 2020

The Honorable Dato' Seri Mohamed Azmin Ali

Chair, APEC Ministerial Meeting
Minister of International Trade and Industry
Malaysia

Honorable Minister:

We write to you at a time of significant disruption and rising uncertainty in the world. How APEC responds will be a profound test of our commitment to our core values of cooperation, collaboration, concerted actions and partnership to secure the well-being of our people, both now and in the future.

While immediate attention needs to be given to saving lives, we also need to ensure that we are able to sustain our communities and economies now and in the medium and longer terms. That demands APEC-wide cooperation to access the tools we need to understand and combat the pandemic and mitigate the most severe economic consequences in the short term; but also that we should lay the groundwork for rapid economic recovery as the immediate storm begins to subside. Above all, a successful response demands global cooperation and leadership.

We set out below our priority recommendations to APEC Ministers:

1 Ensure the free flow of the goods and services immediately required to combat the pandemic

Essential tools needed to fight the pandemic, including medical equipment, medicines and basic protective items such as soap, hand sanitiser, disinfectant, face masks and other protective equipment must flow freely. So too the skills and experience that must be shared to expedite recovery. We are seeing too many examples around the world of economies seeking to maintain tariffs on and restrict or even ban exports of vital goods and services. We call for the removal of export restrictions and a standstill on tariffs on these essential medical and protective tools for fighting the pandemic, with the progressive elimination of such tariffs as soon as possible. We call on APEC Ministers Responsible for Trade to lead an initiative in the WTO to make this a multilateral commitment.

Complementing this effort, economies should facilitate trade by simplifying, codifying and expediting border procedures (for example, in relation to logistics and handling of critical medical supplies such as vaccines, medicines and medical equipment); and by enabling essential workers, such as medical professionals to move freely across borders to assist communities in need, for example by granting special visas or work permits.

2 Support businesses, including MSMEs, and workers

We urge APEC economies to take collective and concerted action to mitigate the economic impact of the pandemic on business operations. There is a particular need to address the impacts on MSMEs, the self-employed and those in the informal economy, who are disproportionately vulnerable.

We urge APEC Ministers to put in place processes for the sharing of best practices in our region with regard to both fiscal and social safety-net measures to address the rapid rise in unemployment and bankruptcies causing lasting harm to individuals and to businesses of all sizes. Measures could include direct payment programs and grants, faster access to loans with flexible repayment options, payment relief for some existing loans and mortgages, and increased flexibility for a range of payments including tax in order to protect cash flow.

3 Ensuring supply chain resilience

It is critical that supply chains remain open during this time of crisis. Divergent approaches to addressing the spread of the pandemic have resulted in myriad barriers and a lack of consistency in the application of regulations regarding the flow of goods and the treatment of workers in the supply chain. Companies in our region are facing evolving challenges as economies implement diverse laws and regulations around staffing essential infrastructure and services. We call on APEC economies to establish clear and consistent definitions and implement special measures for “essential workers” to ensure vital air and maritime cargo supply lines remain open.

4 Promptly resolve other trade issues

Trade can be a powerful force for good in achieving our goals of short and longer term wellbeing and resilience in the face of the pandemic, especially for our most vulnerable economies. We need to ensure that markets remain open and that the trade and investment environment is free, fair, non-discriminatory, transparent, predictable and stable. The costs of protectionism, a problem before the pandemic struck, cannot be absorbed by, and are an unacceptable burden on, the global economy in its current weakened state. It is very clear that the eventual recovery will take longer if the engines of trade and investment cannot be re-started quickly, and if business and investor confidence is undermined by ongoing protectionism. We urge APEC economies to reaffirm their commitment to building an open economy in the Asia-Pacific region and announce a standstill on all new trade-restrictive measures for the rest of 2020 and to reject protectionism now and in the years ahead. This will be particularly important in relation to food, where we have already seen export restrictions imposed by a small number of economies and are concerned that this trend may grow, which would only compound the harm to vulnerable communities and economies.

5 Strengthen digital connectivity

Underpinning the efforts above, we urge APEC economies to make the fullest possible use of digital technologies and connectivity. Digital technology enables the cross-border sharing of emerging knowledge, expertise and best practices in the current situation. For example, in the medical sphere, digital technology can enable experts to share information on the spread of the pandemic and developing vaccines and treatments, as well as offering scope to provide e-health services to large and remote communities. In the economic sphere, digital connectivity can help economies and communities to coordinate economic and social

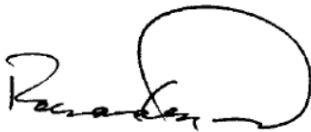
responses, enable economic and social activity to be maintained even while minimizing physical contact, and facilitate trade flows. To realize the full potential of digital connectivity, however, it will be crucial for economies to bolster the supply chain for wireless communications infrastructure, enhance access to broadband, build capacity in under-served economies, and support free and secure cross-border data flows.

6 Plan for reopening of borders

There is no precedent for the global shut down we are now experiencing and no guidebook to assist us as we recover. It is critical that APEC economies work collaboratively to plan for reopening of the borders to people, goods and services as soon as possible, when the threat of the pandemic has been appropriately managed. Work must commence to develop a framework for adoption across the region, with planning for implementation, to avoid the confusion of bilateral arrangements.

It is clear to us that, even – and indeed, *especially* – in the face of the pandemic, APEC must remain true to its fundamental belief that regional cooperation, open markets, economic integration and a commitment to sustainable and inclusive growth best equip us to achieve the well-being, prosperity and security of our communities. We stand ready to work with you to that end.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rohana Mahmood', with a large, stylized loop at the end.

Rohana Mahmood
ABAC Chair 2020