



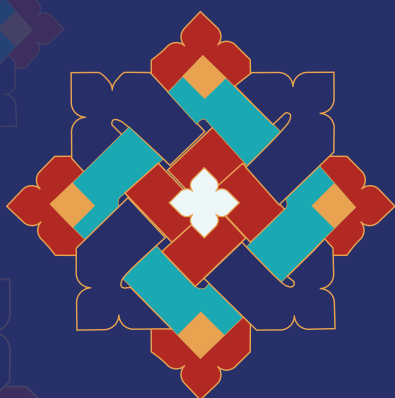
APEC Business Advisory Council

**EMBRACE  
ENGAGE  
ENABLE**

**Report to APEC Economic Leaders  
Thailand 2022**

# APEC Member Economies

**Australia**  
**Brunei Darussalam**  
**Canada**  
**Chile**  
**China**  
**Hong Kong, China**  
**Indonesia**  
**Japan**  
**Korea**  
**Malaysia**  
**Mexico**  
**New Zealand**  
**Papua New Guinea**  
**Peru**  
**Philippines**  
**Russian Federation**  
**Singapore**  
**Chinese Taipei**  
**Thailand**  
**United States**  
**Viet Nam**



"Dok Loi" is the Thai traditional interweaving pattern used in basketry and wicker craft. The Dok Loi is composed of 21 components to form a flower shape representing the close cooperation among APEC economies. The logo symbolizes the prosperous future and the leap forward to global transformation with inclusiveness and sustainability.

# **Report to APEC Economic Leaders**



APEC Business Advisory Council





## APEC Business Advisory Council



### His Excellency Prayut Chan-o-cha

Chair, Asia-Pacific Economic Cooperation  
Prime Minister of Thailand  
Bangkok, Thailand

Your Excellency:

It is our great honor to submit the recommendations of the APEC Business Advisory Council (ABAC) to APEC Economic Leaders.

Our recommendations are made against the backdrop of conflict and a deeply concerning global economic outlook. A series of grave challenges - geopolitical, economic and environmental - are confronting the region and contributing to food and energy insecurity. The ongoing effects of the pandemic, the disruptions in global supply chains and mounting inflationary pressures have also impaired the APEC region's ability to achieve the Putrajaya Vision.

The business community recognizes that this is a time of great disruption, and presents an opportunity for APEC to demonstrate its collaborative nature. Now more than ever APEC needs strong decision making and bold actions. To this end, we submit the following recommendations for your consideration:

***To achieve speedy and sustained recovery, ABAC calls on APEC Leaders to:***

**Implement monetary policy to keep inflation under control and fiscal policy to head off a wage-price spiral over the short term**, such as through targeted support and cash transfers to the most vulnerable.

**Confront the food security crisis** by pursuing peace and security, multilateral cooperation and redoubling efforts, engaging all parts of the food system, to facilitate trade and refrain from export prohibitions and restrictions. ABAC urges the prompt implementation of the new APEC Food Security Roadmap Towards 2030, including the Food Security Digital Plan, to support the adoption of new technologies in agricultural production, distribution and trade, and the adoption of a Bio-Circular-Green Economy Model and regenerative agricultural practices to support sustainability. The private sector must also be empowered to play a meaningful role in the APEC Policy Partnership on Food Security.

**Leverage trade to achieve health goals** by eliminating restrictions to the movement of essential goods and services critical to fighting the pandemic and making vaccines more accessible and affordable, particularly in developing economies.

**Reopen borders safely to restore economic activity to normalcy** by adopting a more regionally coherent approach to safe and seamless travel through streamlining current regional travel standards and practices and leveraging digital public and private sector collaborations to ensure interoperability between systems.

***To regain the momentum for sustainable, inclusive, and resilient growth, ABAC urges APEC Leaders to:***

**Develop a collective response to climate change**, in particular towards an effective transition to a low carbon economy that must underpin implementation of the Putrajaya Vision 2040 and Aotearoa Plan of Action. Business can lead this effort alongside policymakers, guided by ABAC's Climate Leadership Principles. These principles can be used as a matrix through which to assess and regularly benchmark all climate-related workstreams in APEC. Trade and investment can play a key role, including through increasing access to practical tools, accelerating innovation and leveraging market mechanisms for carbon. APEC economies must work together to develop sound, mutually-reinforcing, World Trade Organization (WTO)-consistent and inclusive trade policy responses.



**Incentivize the transition to the use of more sustainable energy and low carbon technology**, including the liberalization of trade in environmental goods and services and the proposed development of an APEC Roadmap to encourage trade and investment in renewable energy. APEC economies should prioritize a realistic energy transition, supported by greater transparency about decarbonization, and the expansion of financial support systems to aid the transition.

**Accelerate regional economic integration** by taking prompt action on the multi-year work plan to achieve the Free Trade Area of the Asia-Pacific, including through high-standard and comprehensive regional pathways, which officials were tasked to develop by APEC Ministers Responsible for Trade. Our communities cannot afford to wait twenty years for progress. These efforts must respond to the evolving global business environment, including both traditional and next generation trade and investment issues.

**Take urgent action to invigorate the multilateral trading system** by reinstating the full functioning and necessary reform of the WTO dispute settlement system, and to contribute to the consensus that would produce ambitious outcomes at the 13th WTO Ministerial Conference in areas of unfinished business, including in agriculture and other reforms, as well as the Joint Initiatives on e-commerce, environmental issues and investment facilitation.

**Reset and revitalize the micro, small and medium enterprise (MSME) economy** by focusing efforts towards four key areas: promoting digital transformation; enhancing sustainable practices; building the digital market infrastructure for supply chain finance; and fostering greater economic inclusion.

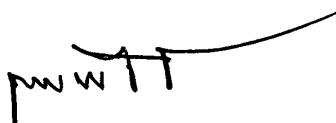
**Encourage faster and wider uptake of digital technologies across the region** by investing in the physical infrastructure that undergirds the digital economy; establishing enabling foundational digital infrastructure including through a proposed APEC platform for cybersecurity and the adoption of interoperable trusted digital identities; and bolstering data infrastructure by adopting open data standards to expand value creation and improving requisite secure cross-border data flows. In a pandemic world, digital health technologies assume particular importance.

**Establish smooth, secure, trusted, and inclusive cross-border digital trade and e-commerce** by developing WTO-consistent digital trade rules that prioritize simplicity and interoperability, and based on international standards, where applicable, to avoid digital policy fragmentation and to reduce the compliance burden, particularly on MSMEs.

**Pursue the twin goals of fiscal consolidation and use of fiscal instruments to support structural reforms** in advancing inclusive digitalization and sustainability. Policies enabling markets to play a greater role in financing growth will be necessary to sustain our region's recovery.

We look forward to discussing the above recommendations in greater detail when we meet at our annual dialogue in November.

Yours sincerely,



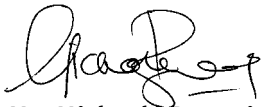
**Mr. Kriengkrai Thiennukul**  
ABAC Chair  
Chairman  
The Federation of Thai Industries



**Ms. Rachel Taulelei**  
ABAC Co-Chair  
Co-Founder  
Oho



**Mr. Dominic Ng**  
ABAC Co-Chair  
Chairman & CEO  
East West Bank

**AUSTRALIA**


**Ms. Michaela Browning**  
Vice President & Head,  
Government & Public Policy  
for Asia-Pacific  
Google



**Ms. Gabrielle Costigan**  
Chief Executive Officer  
BAE Systems



**Mr. Tom Harley**  
Co-Chair, Finance & Economics  
Working Group  
Managing Director  
Dragoman

**BRUNEI DARUSSALAM**

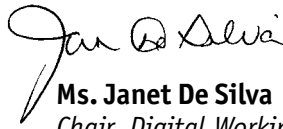

**Ms. Hafimi Abdul Haadid**  
Co-Chair, MSME & Inclusiveness  
Working Group  
Director/Shareholder  
LVK Group of Companies



**Ms. Suzanna Suharju**  
Chief Executive Officer  
Imagine Sdn Bhd

**CANADA**


**Mr. Timothy Dattels**  
Co-Chair, Regional Economic  
Integration Working Group  
Partner and Chair, Asia  
TPG



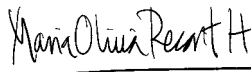
**Ms. Janet De Silva**  
Chair, Digital Working Group  
President & CEO  
Toronto Region Board of Trade



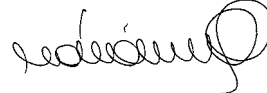
**Mr. Joseph Fung**  
Co-Chair, Sustainability  
Working Group  
Managing Partner  
Saltagen Ventures

**CHILE**


**Mr. Ramón Jara**  
Director  
Antofagasta PLC (UK)  
Antofagasta Minerals S.A.



**Ms. María Olivia Recart**  
Director  
Pacific Steel Company



**Ms. Mónica Retamal**  
Executive Director  
Kodea Foundation

**CHINA**


**Mr. Hu Houkun**  
Co-Chair, Digital Working Group  
Deputy Chairman  
Rotating Chairman  
Huawei Technologies Co., Ltd.



**Mr. Liu Liange**  
Co-Chair, Finance & Economics  
Working Group  
Chairman  
Bank of China Ltd.



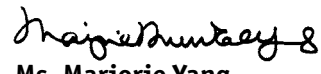
**Mr. Ning Gaoning**  
Chair, Sustainability  
Working Group  
Chairman of the Board  
Sinochem Holdings  
Corporation Ltd.

**HONG KONG, CHINA**


**Mr. Nicholas Ho**  
Co-Chair, Regional Economic  
Integration Working Group  
Chairman  
hpa (Ho & Partners Architects  
Engineers & Development  
Consultants Limited)



**Ms. Mary Huen**  
Chief Executive Officer,  
Hong Kong  
Standard Chartered Bank  
(Hong Kong) Limited



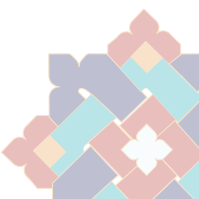
**Ms. Marjorie Yang**  
Chairman  
Esquel Group


**INDONESIA**


**Mr. Anindya N. Bakrie**  
Chief Executive Officer  
PT Bakrie Global Ventura



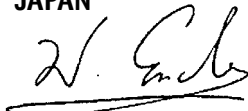
**Ms. Shinta Kamdani**  
Owner & CEO  
Sintesa Group





**Mr. Kartika Wirjoatmodjo**  
President Director  
PT Bank Mandiri (Persero) Tbk.

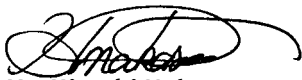
**JAPAN**



**Dr. Nobuhiro Endo**  
Co-Chair, Digital Working Group  
Executive Advisor  
NEC Corporation



**Mr. Fumiya Kokubu**  
Co-Chair, Regional Economic  
Integration Working Group  
Chairman of the Board  
Marubeni Corporation

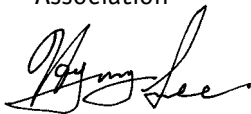


**Mr. Hiroshi Nakaso**  
Chair, Finance & Economics  
Working Group  
Chairman  
Daiwa Institute of  
Research Ltd.

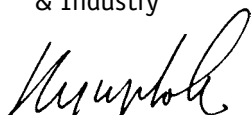
**KOREA**



**Mr. Sam-Kwon Kang**  
President  
Korea Venture Business  
Association

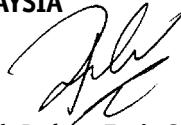


**Mr. Hyunghee Lee**  
Vice Chairman  
Korea Chamber of Commerce  
& Industry




**Mr. Kyung Shik Sohn**  
Chairman  
Korea Enterprises Federation

**MALAYSIA**



**Datuk Ruben Emir Gnanalingam**  
Group Managing Director  
Westports Holdings Berhad



**Dato' Rohana Tan Sri Mahmood**  
Chair, MSME & Inclusiveness  
Working Group  
Chairman  
RM Capital Partners

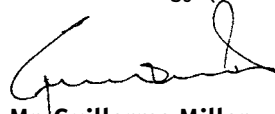


**Tengku Muhammad Taufik**  
**Tengku Kamadjaja Aziz**  
Co-Chair, Sustainability  
Working Group  
President & Group CEO  
Petroleum Nasional Berhad  
(PETRONAS)



**MEXICO**

**Mr. Sergio Ley**  
Executive Vice President &  
Asia-Pacific Chairman  
Mexican Business Council for  
Foreign Trade, Investment  
& Technology (COMCE)



**Mr. Guillermo Miller**  
International Affairs  
Vice President  
Mexican Chemical Manufacturers  
Association (ANIQ)

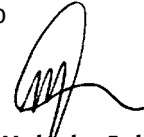


**Mr. John Anthony Santa Maria**  
Chief Executive Officer  
Coca Cola FEMSA

**NEW ZEALAND**



**Ms. Anna Curzon**  
Co-Chair, Digital Working Group  
Chief Product Officer  
Xero



**Mr. Malcolm Johns**  
Co-Chair, Sustainability  
Working Group  
Chief Executive  
Christchurch International  
Airport Ltd.

**PAPUA NEW GUINEA**



**Mr. James Gore**  
Managing Partner  
Gore Consulting

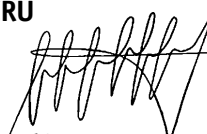


**Mr. Chey Scovell**  
Chief Executive Officer  
Manufacturers Council of PNG

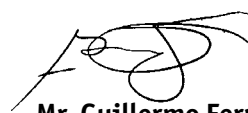


**Mr. Isikeli Taureka**  
Chief Executive Officer  
Laba Holdings Limited

**PERU**



**Mr. Alfonso Bustamante**  
Chief Executive Officer  
CFI Holdings S.A.



**Mr. Guillermo Ferreyros**  
Co-Chair, Sustainability  
Working Group  
Chief Executive Officer  
Savia Peru





**Mrs. Julia Torreblanca**  
Co-Chair, MSME & Inclusiveness  
Working Group  
VP of Corporate Affairs  
Sociedad Minera Cerro Verde

#### PHILIPPINES



**Mr. Sabin M. Aboitiz**  
Co-Chair, Regional Economic  
Integration Working Group  
President & CEO  
Aboitiz Equity Ventures, Inc.



**Mr. Tomas Alcantara**  
Director  
Alsons Consolidated  
Resources, Inc.



**Ms. Joanne de Asis**  
Co-Chair, Finance & Economics  
Working Group  
Chairperson  
Globe Capital Partners LLC

#### RUSSIAN FEDERATION



**Mr. Oleg Deripaska**  
Chairman of the  
Supervisory Board  
Basic Element



**Mr. Kirill Dmitriev**  
Chief Executive Officer  
Russian Direct Investment Fund

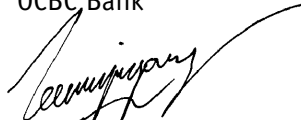


**Mr. Andrey L. Kostin**  
Chairman & CEO  
VTB Bank PJSC

#### SINGAPORE



**Ms. Elaine Lam**  
Executive Vice President  
Head of Global Corporate Banking  
OCBC Bank



**Mr. Lam Yi Young**  
Chair, Regional Economic  
Integration Working Group  
Chief Executive Officer  
Singapore Business Federation



**Mr. Wong Wai Meng**  
Co-Chair, Digital Working Group  
Chairman  
SGTech

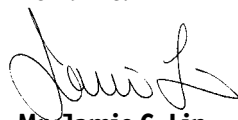
#### CHINESE TAIPEI



**Dr. Ted Chang**  
Co-Chair, Digital Working Group  
Chief Technology Officer  
Quanta Computer



**Mr. Jason Chen**  
Chairman & CEO  
ACER Inc.




**Mr. Jamie C. Lin**  
President  
Taiwan Mobile

#### THAILAND




**Dr. Poj Aramwattananont**  
Co-Chair, Sustainability  
Working Group  
Vice Chairman  
Thai Chamber of Commerce



**Mr. Kobsak Duangdee**  
Co-Chair, Finance &  
Economics Working  
Group  
Secretary-General  
Thai Bankers Association

#### USA



**Ms. Laura Lane**  
Executive Vice President  
& Chief Corporate  
Affairs Officer  
UPS

#### VIET NAM



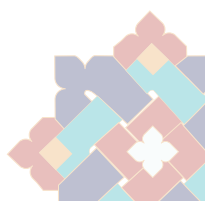
**Mr. Dang Thanh Tam**  
Chairman  
Saigon Invest Group



**Dr. Nguyen Thanh Hung**  
Founder & Chairman  
Sovico Group



**Mr. Pham Tan Cong**  
Chairman & President  
Viet Nam Chamber of  
Commerce & Industry





An aerial photograph of a city skyline at sunset. The sky is filled with soft, warm colors of orange, pink, and purple. A prominent skyscraper with a glass facade is illuminated from within, standing tall on the right side of the frame. Other buildings of various heights and architectural styles are visible, some with lights on. The overall scene conveys a sense of a bustling, modern urban environment.

# Executive Summary



# Executive Summary

Following is a summary of the recommendations contained in this report:

## Promoting speedy and sustained recovery

**Implementing macroeconomic, fiscal, and monetary policies to hasten recovery:** As economies move towards recovering from the impact of COVID-19, they face a new threat of persistent high inflation. Monetary policy should focus on keeping inflation under control, and fiscal policy should head off a wage-price spiral over the short term, such as through targeted support and cash transfers to the most vulnerable.

ABAC's recommendations are made against the backdrop of conflict and a deeply concerning global economic outlook. A series of grave challenges – geopolitical, economic and environmental – are confronting the region and contributing to food and energy insecurity. The ongoing effects of the pandemic, the disruptions in global supply chains and mounting inflationary pressures have also impaired the APEC region's ability to achieve the Putrajaya Vision. ABAC remains fully supportive of inclusive economic integration and policy efforts to that end.

**Trade response to the COVID-19 pandemic and accessibility to vaccines:** COVID-19 has killed more than 14.9<sup>1</sup> million people globally and continues to threaten our communities. To achieve health goals, APEC should leverage trade by removing export restrictions, tariffs, and non-tariff measures on essential medical goods and services. APEC should also continue to champion the universal availability of vaccines to make them more accessible and affordable, particularly in developing economies, such as through the

COVID-19 Vaccines Global Access (COVAX) initiative.

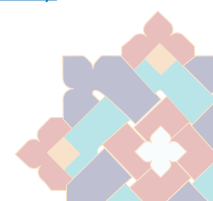
**Reopening borders through more regionally coherent approaches to travel:** Despite many economies reopening borders for travel, there remain differences in travel policies, vaccination certificate systems, standards and definitions across economies. APEC economies should leverage this opportunity to upgrade the border infrastructure digitally through public and private sector collaborations to ensure interoperability between various systems and streamline current regional travel standards and practices, while providing the option for legacy-friendly interface. These tools will prepare APEC for future pandemics and crises, ensuring that borders are kept open during times of challenges, minimizing disruptions to families, businesses and livelihoods.

## Regaining the Momentum for Sustainable, Inclusive and Resilient Growth

### *Advancing sustainability*

**Fostering a sustainable and resilient food system:** The region is in the midst of an unprecedented crisis. Soaring global food prices and disruptions in agri-food supply chains are reversing years of development gains and undermining APEC's food security and safety goals. ABAC calls for multilateral and bilateral cooperation on food assistance and food security; redoubled efforts to facilitate trade and refraining from export prohibitions and restrictions. ABAC urges the prompt implementation of the new APEC Food Security Roadmap Towards 2030, and places strong emphasis on the development and implementation of the Food Security Digital

1 WHO Global Excess Deaths Associated with COVID-19, January 2020-December 2021: <https://www.who.int/data/stories/global-excess-deaths-associated-with-covid-19-january-2020-december-2021>



Plan, to support adoption of new technologies in agricultural production, distribution and trade; and the adoption of a Bio-Circular-Green (BCG) Economy Model and regenerative agricultural practices. Ensuring that the private sector can play a meaningful role in the APEC Policy Partnership on Food Security will also be important going forward.

**Promoting an effective response to climate change:** The APEC region is especially vulnerable to the impacts of changing climate. ABAC's Climate Leadership Principles of Reduction/Mitigation, Adaptation and Just Transitions can help frame the development of strategies, policies and operational practices to respond to climate change. Trade and investment can play a key role, including through increasing access to practical tools, accelerating innovation and leveraging market mechanisms for carbon. ABAC calls on APEC economies to work together to develop sound, mutually-reinforcing, World Trade Organization (WTO)-consistent and inclusive trade policy responses to climate change; create an enabling environment for the decarbonization of energy-intensive sectors; and incentivize banks to boost green finance internationally and domestically. ABAC encourages participation by all APEC economies in the initiative on Trade and Environmental Sustainability Structured Discussions (TESSD) in the WTO. ABAC has included an illustrative matrix in Annex A which shows how APEC could use the climate lens to shape its future work.

**Advancing energy transition towards low carbon economy:** The setting of carbon neutral targets is gaining universal recognition though implementation is only at an early stage. ABAC urges APEC economies to formulate ambitious and realistic energy transitions that consider the need for economic growth and energy resilience and decarbonization in each economy. ABAC calls for the development of an APEC Roadmap for Trade and Investment in Renewable Energy (Annex B) to encourage innovation and stimulate

investments in renewable energy and low carbon emissions technologies.

**Financing the transition to sustainability:** To mobilize financing for sustainable transition in the region, ABAC urges APEC to provide a platform for member economies to collaborate in developing interoperable environmental, social and governance (ESG) taxonomies and carbon emissions trading markets, improving disclosure, enabling the financing of sustainable infrastructure and incentivizing micro, small and medium enterprises (MSMEs) to align their operations with sustainable goals.

**Enhancing sustainable practices of MSMEs:** In view of the importance of MSMEs in world economic growth and the particular challenges they face in light of climate change, it is of utmost importance to develop measures to support their success. Many of the measures implemented seek to address the traditional challenges faced by these enterprises, such as: access to financing, continuous training, integration into value chains and support in the internationalization process. However, the current crises provide the opportunity to generate new value and greater competitiveness in these enterprises through the development and adoption of sustainable practices.

### *Deepening regional economic integration*

**Realizing the path to the Free Trade Area of the Asia-Pacific (FTAAP):** Achievement of FTAAP, including through high-standard and comprehensive regional pathways, remains ABAC's preeminent trade and economic priority and is central to the APEC Putrajaya Vision 2040. ABAC welcomes the consensus on making progress on the FTAAP that was evident at the APEC Ministers Responsible for Trade (MRT) Meeting in May. ABAC believes that FTAAP must respond to the evolving global business environment. Our business communities cannot wait twenty years for progress. ABAC stands ready to support early implementation of the multi-year work program

outcomes. The ABAC Statement on FTAAP (Annex C) has further details.

**Supporting the WTO and advocacy for the rules-based multilateral trading system:** ABAC reaffirms support for a rules-based, non-discriminatory, open, and transparent multilateral trading system with the WTO at its heart. ABAC welcomes the successful 12th Ministerial Conference (MC12) in Geneva in June and applauds the set of decisions made on fisheries subsidies, food security and the World Food Program, and progress in a range of 'Joint Initiatives'. ABAC believes that more ambitious and concrete outcomes on several important areas, including agriculture and broader WTO reforms, should be developed for MC13. As a matter of urgency, a fully functioning WTO dispute settlement system, including the Appellate Body and necessary reforms, must be reinstated. The ABAC Statement on the WTO (Annex D) sets out detailed recommendations.

**Strengthening services trade:** Innovation will be the primary driver of regional growth in the services sector. Forward-looking policies and economic growth strategies, including by reducing barriers to services trade; strengthening ecosystems and environments; and leveraging synergies and collaboration between the public and private sectors are critical. ABAC calls on APEC economies to accelerate the implementation of the APEC Services Competitiveness Roadmap (ASCR) and to consider new initiatives, particularly on digital services and services that support e-commerce, essential services (including services that support the movement of essential goods), health services, and environmental services.

### *Fostering an enabling environment through digitalization*

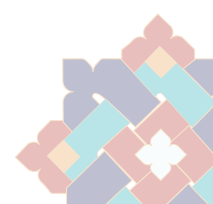
**Expanding vital physical infrastructure to accelerate digitalization:** With the advent of the digital-first economy, digital technology is now at the core of all production, operations, and

consumption. ABAC urges APEC economies to develop a more targeted policy and financing agenda to build and execute digital master plans, facilitate public and private investment in frontier technologies, enhance digital network coverage, and expedite industry cloud adoption.

**Establishing foundational digital infrastructure to secure digitalization:** Cybersecurity and digital identities are key elements of the foundational digital infrastructure in the APEC region, without which it would be impossible to build a thriving and inclusive digital economy. A coherent and integrated cybersecurity approach is critical for building the necessary infrastructure and talent to safeguard progress and innovation. Digital identities have the potential to transform the way economies, businesses and individuals function by making it easier to engage and access services in a more efficient, secure and privacy-enhancing manner. ABAC calls on APEC to establish a shared regional platform for cybersecurity that would coordinate action and investment on cybersecurity. It urges APEC economies to work together to enable cross-border interoperability of digital identities.

**Strengthening regional data infrastructure to facilitate value creation, digital trade, and cross-border data flows:** The exponential growth in data combined with growing capacity to extract from it through emerging technologies promises to spur innovation, increase trade, maximize the potential of digital health and create jobs. To unlock the enormous data enabled value creation opportunities, ABAC highlights the need for a data sharing framework founded on security, open standards, and trust.

**Promoting the digital transformation of MSMEs:** The pandemic has accelerated the digital transformation of MSMEs. APEC can create a more enabling environment, especially for women, Indigenous peoples, youth and other underserved/underrepresented groups, by leveraging public-private partnerships and



capacity building to accelerate digital skills development.

Fragmentation in digital policies especially hurts MSMEs that lack the resources to navigate the ever-changing digital laws and regulations adopted by APEC economies. ABAC highlights the importance of greater transparency of digital policies and regulations adopted by APEC economies which will help to address the information asymmetry, and promote best practices in digital policymaking. MSMEs need to be included in the formulation of digital policies.

**Building the digital market infrastructure for supply chain finance:** Digitalization is particularly impactful in trade and supply chain finance. It is facilitating access to finance for MSMEs, such as second and third-tier suppliers, for which traditional credit underwriting have proven to be very difficult at the earlier stages of the order-to-payment cycle. Automation is making it feasible to process credit transactions at lower cost, enabling smaller loan sizes to be

economically viable for lenders, and low-value letters of credit to be viable for bankers.

Building an enabling ecosystem for digital finance is critical for financial inclusion and a dynamic MSME sector. APEC should build the digital market infrastructure for MSME supply chain finance, promote the development of interoperable open data systems, and coordinate efforts to develop central bank digital currencies to ensure their future interoperability and effectiveness in promoting cross-border transactions.

**Pursuing the twin goals of fiscal consolidation and use of fiscal instruments to support structural reforms** to advance inclusive digitalization and sustainability. Policies enabling markets to play a greater role in financing growth will be necessary to sustain our region's recovery.





# Table of Contents

<b>I. Introduction.....</b>	<b>18</b>
<b>II. Promoting Speedy and Sustained Recovery.....</b>	<b>18</b>
A. Implementing macroeconomic, fiscal and monetary policies to hasten recovery.....	18
B. Trade response to the COVID-19 pandemic and accessibility to vaccines.....	19
C. Reopening borders through more regionally coherent approaches to travel.....	19
<b>III. Regaining the Momentum for Sustainable, Inclusive and Resilient Growth.....</b>	<b>20</b>
A. Advancing sustainability.....	20
• Fostering a sustainable and resilient food system.....	20
• Promoting an effective response to climate change.....	21
• Advancing energy transition towards low carbon economy.....	22
• Financing the transition to sustainability.....	24
• Enhancing sustainable practices of MSMEs.....	25
B. Deepening regional economic integration.....	25
• Realizing the path to the Free Trade Area of the Asia-Pacific.....	25
• Supporting the WTO and advocacy for the rules-based multilateral trading system .....	26
• Strengthening services trade.....	27
C. Fostering an enabling environment through digitalization.....	27
• Expanding vital physical infrastructure to accelerate digitalization.....	27
• Establishing foundational digital infrastructure.....	28
• Strengthening regional data infrastructure to facilitate value creation, digital trade, and cross-border data flows.....	29
• Promoting the digital transformation of MSMEs.....	29
• Enhancing the digital capabilities of underrepresented and underserved MSMEs.....	30
• Building the digital market infrastructure for supply chain resilience.....	31
<b>Annexes</b>	
A A unified framework for carbon neutrality: APEC and ABAC workstreams mapped on Climate Change Principles.....	35
B The Trade and Investment in Renewable Energy and Low Carbon Emissions Technologies Roadmap Towards 2030 .....	37
C ABAC Statement on the Free Trade Area of the Asia-Pacific.....	43
D ABAC Statement on the World Trade Organization.....	47
E The APEC Business Advisory Council.....	49

# Main Report



## Introduction

The global economic outlook remains unprecedented and deeply concerning. A series of grave challenges - some geopolitical, some economic - and some arising from the effects of the pandemic and from the disruptions in global supply chains, have impaired the APEC region's ability to achieve speedy and sustained recovery and to maintain the momentum for sustainable, inclusive and resilient growth.

The business community recognizes that this is a time of great disruption, and presents an opportunity for APEC to demonstrate its collaborative nature. Now more than ever APEC needs strong decision making and bold actions.

ABAC's theme for 2022 is 'Embrace. Engage. Enable.' In this report, ABAC outlines recommendations aimed at:

- Promoting speedy and sustained recovery
- Regaining the momentum for sustainable, inclusive and resilient growth
  - Advancing sustainability
  - Deepening regional economic integration
  - Fostering an enabling environment through digitalization

## Promoting Speedy and Sustained Recovery

### ***A. Implementing macroeconomic, fiscal and monetary policies to hasten recovery***

Asia-Pacific economies are facing record levels of public and private debt, constrained fiscal space, hugely expanded central bank balance sheets and the return of inflation. Developing economies are emerging from the pandemic with significant weaknesses, threatened by further capital outflows due to rising interest rates in developed economies, economic weaknesses in their export markets, and surging energy prices.

Risks are growing as global imbalances increase, heightened volatility plague various market segments, asset price bubbles expand in certain market segments, and the world enters a new period of fragmentation.

Geopolitical conflicts are seriously exacerbating inflationary pressures and causing acute shortages in key commodities. They are likely to have long-term damaging impact on the global economy, the global economic and financial system, and the prospects for achieving the regional integration goals of APEC.

For the moment, the macroeconomic policy response needs to focus on stabilizing inflation as the key priority to prevent it from becoming entrenched. Short-term, fiscal policies can provide support to smooth price shocks. Medium and long-term, governments need to pursue fiscal consolidation and use fiscal space innovatively to meet key objectives including sustainability, inclusive digitalization and addressing inequality.

### **Recommendations:**

1. Focus on preventing inflation from becoming entrenched as the immediate and key priority. Developed economies should use monetary policy to anchor inflation expectations, supported by fiscal policy to smooth price shocks, such as through cash transfers and targeted support to head off a potential wage-price spiral.
2. In the medium and long-term, pursue fiscal consolidation and debt reduction, while using innovative fiscal instruments, such as carbon taxes, to finance digital innovation, green investment, global emissions reduction and support for low-income consumers.
3. Provide regional platforms for collaboration, coordination and capacity building, to focus on advancing structural reforms that promote sustainable transition, inclusive digitalization and resilience.

### ***B. Trade response to the COVID-19 pandemic and accessibility to vaccines***

COVID-19 has killed more than 14.9<sup>1</sup> million people globally, and disabled many millions more. The pandemic has highlighted that trade can and must be used as a force for good in overcoming the health crisis and its devastating economic and social impacts. Health goals cannot be achieved without seamless trade. Export restrictions, tariffs, and non-tariff measures on essential medical goods and services work against this response and recovery. Remaining export restrictions adopted by governments in response to shortages at the early stages of the pandemic should be eliminated.

Despite broad agreement on the negative consequences of vaccine inequity, access to vaccines in developed economies is far greater than in developing economies. While less than 20 percent of people in developing economies have received at least one vaccine dose<sup>2</sup>, developed economies, with vaccination rates of between 70 to 90 percent, are starting to regain a sense of normalcy. COVID-19 infections, deaths and disruptions fall most heavily on already marginalized informal workers, women, and small businesses, and push them into poverty across the region, and especially in developing economies.

#### **Recommendations:**

4. Remove export restrictions and import barriers on COVID-19 vaccines, therapeutics, medical devices, and their inputs, as well as essential services needed to manufacture, distribute, and administer them.
5. Adopt an APEC Declaration on Facilitating Trade in Essential Services to build on the Declaration on Trade in Essential Goods (2020) and encourage all APEC economies to implement its provisions as soon as possible.

6. Contribute and support expanded efforts to equitably distribute vaccines regionally and globally such as the COVID-19 Vaccines Global Access (COVAX) initiative.

### ***C. Reopening borders through more regionally coherent approaches to travel***

The COVID-19 pandemic provides an opportunity for economies to apply lessons learned to address future pandemics and crises, ensuring that borders are safely kept open during times of challenges, minimizing disruptions to families, businesses, and livelihoods. While welcoming the progress made by APEC, ABAC urges the development of a framework to achieve safe and seamless cross-border travel on a regional scale, align different policies and practices, as well as strengthen data security and technology to create a user-friendly experience, from both the traveler and regulator point of view.

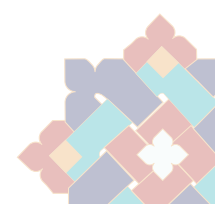
As a result of differences in standards (EU, ICAO, WHO, and the SMART Health Card), vaccination certificate systems, and definitions, travelers and businesses are faced with increased complexities and costs.

#### **Recommendations:**

7. Promote alignment of current regional travel standards and practices to reduce the complexities and costs caused by differences in travel policies, vaccination certificate systems, standards, and definitions.
8. Collaborate with the private sector on a pilot scheme to develop digitally-interoperable travel portals for pre-travel collection, assessment and authorization of travelers' COVID-19-related information.

1 WHO Global Excess Deaths Associated with COVID-19, January 2020-December 2021: <https://www.who.int/data/stories/global-excess-deaths-associated-with-covid-19-january-2020-december-2021>

2 COVID-19 Vaccinations: <https://ourworldindata.org/covid-vaccinations>



9. Leverage the APEC Business Travel Card (ABTC) system to enable interoperability between various vaccination certificate systems, with an option for a legacy-friendly interface.

## Regaining the Momentum for Sustainable, Inclusive and Resilient Growth

### A. Advancing sustainability

#### *Fostering a sustainable and resilient food system*

The world is currently facing a severe food crisis. The COVID-19 pandemic has taken a heavy toll on a food system already heavily distorted by decades of barriers to trade and distorting subsidies, and facing disproportionate impacts from climate change. The World Bank's Food Commodity Price Index peaked in March this year at more than 80% higher than two years ago. According to the International Food Policy Research Institute, as of the end of June, 18 economies have implemented food export bans on 31 products, and a further five economies have imposed restrictive export licensing on six products.

This growing food insecurity is not only reversing years of development gains, but also threatening the achievement of the United Nations (UN) Sustainable Development Goals (SDGs) by 2030, and more broadly, undermining progress towards APEC's goals of a resilient, sustainable and inclusive region.

APEC economies must act to confront both the short-term food crisis and the longer-term prospects for food security in the region.

In the short term, ABAC urges APEC economies to meet their commitments in the World Trade Organization (WTO) Ministerial Declaration on the Emergency Response to Food Insecurity, to recognize that trade, along with domestic

production, plays a vital role in improving global food security, and commit to facilitate food trade, refrain from export prohibitions and restrictions which have debilitating effects on regional food security, and ensure that any emergency measures minimize trade disruptions to the extent possible.

Regional action should complement ongoing work in the WTO to reform the global agriculture trading system and support the UN and other international organizations, including the World Food Program and the Food and Agriculture Organization, with a mandate to address food assistance, food safety and food security. ABAC welcomes and encourages constructive and responsible efforts to address these challenges and promote inclusive, safe, sustainable agriculture, innovation and open trade.

In the longer term, ABAC calls on APEC to help ensure people in the region have stable access to sufficient, safe, affordable and nutritious food to meet their dietary needs and food preferences, and to reach the goal set out in the APEC Food Security Roadmap Towards 2030, which envisions a resilient and sustainable food system underpinned by digitalization and innovation. This will help transform the food system, in a way that is anchored around resiliency, sustainability, digital innovation, inclusivity and open markets and trade.

Within the Roadmap, ABAC places a strong emphasis on the development and implementation of the Food Security Digital Plan, to support the adoption of new technologies in agricultural production, distribution and trade; on innovation, including promoting innovative food processing approaches for nutritious 'future food'; and on sustainability, including the adoption of a Bio-Circular-Green (BCG) Economy Model and regenerative practices. ABAC also emphasizes the need for meaningful reform to distorting agriculture subsidies and non-tariff barriers to help ensure an open and predictable trade in food.

These measures could help cushion the impact of the current crisis on economies in the region – for example, by facilitating more seamless trade – but equally important, will foster a sustainable and resilient food system in the Asia-Pacific region in the longer term. It is critical to implement the new Food Security Roadmap as quickly as possible.

Enhanced strategic engagement and collaboration between the public and private sector, including under the auspices of the APEC Policy Partnership on Food Security (PPFS), are essential to this. ABAC is eager to see the completion of a comprehensive review of the functioning of PPFS, as agreed by all APEC economies in paragraph 18(b) of the Food Security Roadmap. This is fundamental to ensuring that there is a meaningful partnership with the private sector.

#### **Recommendations:**

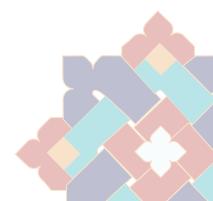
10. Take all possible steps, working with international agencies with a mandate on food security, to avert a worsening of the current food crisis, including by facilitating trade, using digital technologies where possible, refraining from export prohibitions and restrictions.
11. Fully develop and implement the Food Security Digital Plan envisaged in the Roadmap, including adoption of new technology and innovation throughout the food value chain, as well as for smart farming, use of Global Data Standards within a regional framework, and leveraging big data, artificial intelligence and other innovative digital technologies.
12. Adopt the BCG Economy Model and promote innovative food processing production and support development of innovative proteins.
13. Work to eliminate distortions in global markets, including the reduction and progressive removal of non-tariff barriers and meaningful reductions in distorting subsidies to agriculture.
14. Increase efforts on monitoring and enforcement of intellectual property protection, food safety systems and product labelling.
15. Enable cross-border collaboration among all parts of the food ecosystem, including policymakers, food producers, distributors and traders and the academic community.
16. Implement the new APEC Food Security Roadmap Towards 2030, including undertaking a comprehensive review of the Terms of Reference for PPFS to enable a meaningful, effective partnership with the private sector.

#### ***Promoting an effective response to climate change***

APEC's geography and demography make the region especially vulnerable to the impacts of a changing climate, threatening our collective and inclusive prosperity. Anthropomorphic climate change is one of the greatest challenges of our age, and demands a concerted, collaborative response. Achieving an effective transition to a low carbon economy will be central to the implementation of the Aotearoa Plan of Action, and must be a critical element of the Free Trade Area of the Asia-Pacific (FTAAP). The climate change response should be a consideration in all areas of APEC's work.

Business can lead this effort alongside policy-makers. ABAC's Climate Leadership Principles of Reduction/Mitigation, Adaptation and Just Transitions are a lens through which we can consider *all* areas of our work towards the Putrajaya Vision 2040 under the Aotearoa Plan of Action – especially as we face accelerating climate impacts, a grave energy crisis, and serious threats to global food security. ABAC has included an illustrative matrix in Annex A which shows how APEC could use the climate lens to shape its future work.

Businesses also need an enabling environment, including appropriate carbon taxation and pricing measures as part of a set of interconnected



actions, and a supportive ecosystem for green financing.

Policy-makers and businesses need to ensure that the transition is “just” and does not leave anyone behind, maximizing the benefits of climate action while mitigating harms to underserved groups, workers, communities and economies. In particular, women, Indigenous and local communities are disproportionately impacted by climate change, including through climate change-driven displacement, threats to food security, increased poverty and social tensions.

APEC should take a leading role in developing trade policies, practices and rules that mitigate the impacts of climate change through adaptation, and ensuring that the transition to a low carbon economy is inclusive and fair. Trade and investment can increase access to practical tools, accelerate innovation to drive industrial-scale adaptation, and leverage market mechanisms for carbon. APEC economies must work together to develop sound, mutually-reinforcing, WTO-consistent and inclusive trade policy responses. Unilateral action may not be effective in terms of environment impact, and risks an unlevel playing field and disguised protectionism.

### **Recommendations:**

17. Develop sound, mutually-reinforcing, WTO-consistent and inclusive trade policy responses, in bilateral, plurilateral and multilateral settings. Short-term priorities should include trade measures that will incentivize the transition to more sustainable goods and services and energy use, including the liberalization of trade in environmental goods and services; the elimination of environmentally-harmful subsidies, including inefficient fossil fuel subsidies. ABAC encourages participation by all APEC economies in the initiative on Trade and Environmental Sustainability Structured Discussions (TESSD) in the WTO.
18. Create an enabling environment for decarbonization of energy-intensive sectors by incentivizing investment in greenhouse gas (GHG) emissions reduction projects, supporting development of domestic and international carbon markets, promoting regional and global demand for low carbon industrial products and energy, and consistent GHG emissions measurement and reporting requirements.
19. Incentivize banks to boost green finance internationally and domestically through consistent fiscal policies, capital requirements and disclosure standards, stimulating business initiatives aimed at investing in carbon-cutting projects through the APEC region and increase governmental funding for this purpose.

### ***Advancing energy transition towards low carbon economy***

The world is now facing a grave energy crisis, which ABAC strongly hopes will be settled as soon as possible. It remains critical to move toward achieving carbon neutrality, recognizing that the current situation may add to the challenges of the transition.

The setting of carbon neutral targets is gaining universal recognition though implementation is only at an early stage. The transition towards low carbon energy has become more pressing.

APEC economies will be a major factor in future energy demand and increased carbon dioxide (CO<sub>2</sub>) emissions, but are also in different stages of development and have diverse geographical constraints. The shift towards capital-intensive energy systems is a complex issue for those economies which lack financial depth while energy-intensive sectors play an important role in their gross domestic product (GDP) structure. These economies face particular challenges in the transition around maintaining economic growth and energy resilience.



ABAC urges support for a survey to be conducted by each APEC economy on a voluntary basis that can serve as a reference for policymakers with the aim of carbon neutrality. Specifically, the survey should include each economy's (a) energy demand and supply (including the composition of electric power sources and self-sufficiency rate), (b) energy supply stability, including the electric power infrastructure and electric power systems development and maintenance situation, (c) various energy costs, including renewable energy, taking into consideration geographical characteristics (potential for the introduction of renewable energy), (d) stability in the supply of strategic minerals needed to expand the introduction of electric vehicles and renewable energy, and (e) future forecasts of (a) – (d) based on the actual economic development situation. By conducting this survey, it will be possible to establish different starting points for each economy to create plans aimed at carbon neutrality by considering the diversity of the APEC economies while also giving heed to economic growth and energy resilience.

In formulating and executing plans to achieve carbon neutrality, each APEC economy will need to explore all decarbonization options (including renewable energy; natural gas; biomass; nuclear power; carbon capture, utilization and storage (CCUS)/carbon recycling; and hydrogen/ammonia) and the promotion of the use of energy conservation technologies and encourage energy transitions based on their own conditions. A cooperative regional initiative should be established to support region-wide transition.

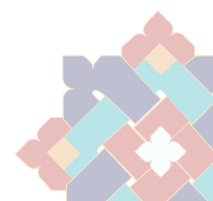
In addition, it will be valuable to share decarbonization technology and information about transition pathways within the APEC region. In particular, ABAC urges economies to consider what kind of support will be needed for vulnerable micro, small and medium enterprises (MSMEs) in this regard and develop the necessary capacity building support to promote decarbonization among APEC economies.

The efforts of private sector companies will also be indispensable for achieving carbon neutrality, both in implementing the Climate Leadership Principles throughout their business models, and in developing innovative new approaches. Financial support from financial institutions will be essential in spurring the efforts of private companies. Taking into account the diversity of the APEC economies, and in order to promote all efforts toward low carbonization and decarbonization, ABAC calls for the expansion of financial support systems to bolster the energy transitions of private companies in the APEC region.

The shift to a sustainable energy system with high share of renewables will help meet climate goals and contribute to decarbonization efforts. Creating an environment that is conducive to trade and investment in renewable energy sources can be an important contributor to this effort. This transition implies increased innovation and investment be executed through new business models, government policies and market designs, including cross-regionally.

#### **Recommendations:**

20. Reaffirm commitment to promote trade and investment in renewable energy and low emissions technologies, and develop an APEC Roadmap for Trade and Investment in Renewable Energy based on the draft in Annex B.
21. Urge each economy to examine the current state of their energy situation based on energy supply and demand, energy supply stability, strategic mineral supply stability, energy costs, economic development status and future forecasts to create a basis for common discussions.
22. Encourage realistic energy transitions in all APEC economies, acknowledging the circumstances existing in each individual APEC economy and their possible decarbonization options in formulating and



executing plans to achieve carbon neutrality, and harmonize CCUS policies to accelerate adoption. These decarbonization options could include renewable energy, nuclear power, natural gas, biomass, CCUS/carbon recycling, hydrogen/ammonia, and energy conservation technology, among others.

23. Share decarbonization technology and information on transition pathways within the APEC region. In particular, consider the decarbonization needs of MSMEs and provide capacity building for decarbonization.
24. Promote the expansion of financial support systems to bolster decarbonization efforts in each APEC economy taking into account the diversity of APEC economies.
25. Adopt policies and regulatory framework to encourage innovation and stimulate investments in renewable energy sources and low carbon emissions technologies, thus creating the base for market-based solutions' development like green certificates, etc.
26. Strongly discourage inefficient state subsidies or supported financing of fossil fuel power generation.

### ***Financing the transition to sustainability***

Between 2022 and 2040, an estimated US\$30 trillion will be needed to bridge the infrastructure gap in the region. In the context of achieving SDGs, more private sector financing for sustainable infrastructure will be needed. Meeting this need will require making projects bankable and addressing impediments to environmental, social and governance (ESG) financing, using existing tools and delivery mechanisms, such as those being provided by the Global Infrastructure Hub, the Finance to Accelerate the Sustainable Transition-Infrastructure (FAST-Infra) initiative, Infra Asia and SOURCE.

Carbon emissions trading schemes (ETSs) can greatly improve the economic efficiency of emissions reduction. The region can benefit from the implementation of Article 6 of the Paris Agreement that envisions international transfer of carbon emission rights and connecting ETSs of multiple economies. There are challenges to the development of ETSs, including different views among economies and the lack of a common carbon accounting system, but there are useful lessons that economies can learn from each other to overcome these challenges.

### **Recommendations:**

27. Provide a platform leveraging existing Finance Ministers' Process (FMP) policy initiatives to promote the wider uptake by member economies of existing tools and delivery mechanisms for generating standardized data and developing a robust pipeline of sustainable infrastructure projects in the region.
28. Incorporate the development of member economies' ETSs in their work program, with a view to promoting consensus on the responsibilities of developed and developing economies as enshrined in the principles of the United Nations Framework Convention on Climate Change as a foundation for regional cooperation among ETSs. Leveraging expertise in international organizations and existing policy initiatives under the FMP, this undertaking could be designed to (a) assist member economies in improving market infrastructure, developing institutions and enhancing regulatory capacity and (b) serve as a regular exchange mechanism among ETSs in the region as a foundation for global collaboration in capacity building, policy guidance and technical training. Supporting the emergence and growth of voluntary carbon markets can also facilitate the development of ETSs.

### ***Enhancing sustainable practices of MSMEs***

MSMEs are important to global economic growth. It is imperative to develop measures to support their success. Economies have sought to address the many challenges faced by these enterprises through measures, including access to financing, continuous training, integration into value chains and support in the internationalization process. The current crisis provides the opportunity to generate new value and greater competitiveness in these enterprises through enhanced digitization and the development or adoption of sustainable practices. Such transformation would be consistent with a growing trend in business to integrate practices to minimize environmental impact and generate greater inclusion, which can also help to generate a price advantage and attract greater investment for MSMEs. Above all, economies will need to take Just Transitions approaches that incorporate the needs of MSMEs.

#### **Recommendations:**

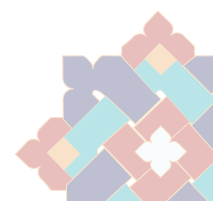
29. Identify and promote measures to level working and development conditions, in order to generate greater access to education and training resources. In addition, there should be a constant and transparent communication on sustainability issues in order to foster the creation of environmentally-responsible operational and logistical processes. These efforts can be coordinated with the private sector to promote awareness and integration of existing sustainable corporate practices within large companies.
30. Establish greater opportunities for integration into the global value chain and sustainability activities for underrepresented MSMEs established in remote or rural areas, through synergies between public and private sector organizations to generate spaces for communication and development of strategies that enable the adoption of sustainability and inclusion practices.
31. Facilitate the integration of MSMEs into regional sustainable chains, minimizing existing barriers to the proper integration and implementation of sustainable practices. Identify the scale of production and operations of these enterprises, in order to manage measures appropriate to their development processes and environments.
32. Provide a platform for bringing together various public and private financial sector stakeholders to collaborate in designing an ecosystem approach to financing sustainable transition of MSMEs, share successful experiences and identify strategies to scale them up. This undertaking could leverage expertise in international organizations and existing policy initiatives under the FMP.

### **B. Deepening regional economic integration**

#### ***Realizing the path to the Free Trade Area of the Asia-Pacific***

Achievement of FTAAP remains ABAC's preeminent trade and economic priority and is central to the APEC Putrajaya Vision 2040. Free and open trade in the Asia-Pacific region and the elimination of protectionist measures is an important step in bringing sustainable and inclusive growth and prosperity to all economies in the region. ABAC welcomes the consensus on making progress on the FTAAP that was evident at the APEC Ministers Responsible for Trade (MRT) Meeting.

ABAC is encouraged by the broad support for the multi-year work program covering the priority issues identified in the Statement on FTAAP, prepared for the MRT meeting. FTAAP must respond to the evolving global business environment. Our business communities cannot wait twenty years for progress and ABAC stands ready to support early implementation of the multi-year work program outcomes. The ABAC Statement on FTAAP at Annex C has further details.



ABAC welcomes the entry into force of the Regional Comprehensive Economic Partnership Agreement (RCEP). ABAC urges APEC to seek convergence on high-quality approaches to trade and investment, based on existing pathway free trade agreements in the region such as RCEP and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) which can contribute to the achievement of FTAAP. In this regard, FTAAP needs to address next generation trade and investment issues, enable economic inclusion of MSMEs, women-led businesses and other underserved groups, including Indigenous communities, and integrate ambitious WTO-consistent trade policy responses to climate change, building on ABAC's Climate Leadership Principles.

#### **Recommendations:**

33. Seek convergence of high-quality approaches to trade and investment, informed by the completion of detailed examination of existing pathway free trade agreements, including mechanisms for dispute resolution, through regular surveys on the problems, issues, and implementation status.
34. Encourage member economies of CPTPP and RCEP to swiftly ratify and implement the agreements, while encouraging new entrant economies that can meet the high standards of these agreements.
35. Develop high-quality rules in new areas including digital trade and e-commerce drawing, where appropriate, from dedicated, high-quality digital agreements.
36. Prioritize action on multi-year work programs to achieve priority outcomes that result in tangible commercial benefits.

#### ***Supporting the WTO and advocacy for the rules-based multilateral trading system***

Trade is the driving force for economic growth and job creation. It has and continues to be

instrumental in overcoming the pandemic challenges and contributing to sustainable development goals, thus securing prosperity and wellbeing for all. ABAC remains committed to supporting the multilateral rules-based trading system, with the WTO at its core. ABAC recognizes that a rules-based, transparent, and non-discriminatory multilateral trading system can deliver global prosperity and is the best defense against protectionism in all its forms. ABAC therefore underscores again, the importance of having a well-functioning WTO, one that is credible, relevant and fit-for-purpose, reflecting evolving business needs and models.

ABAC welcomes the successful 12th Ministerial Conference (MC12) in Geneva in June. The outcomes have made a credible contribution to progress on important global issues of food security, sustainability and digital trade. However, as foreshadowed in our WTO Statement (Annex D), ABAC wanted to see more ambitious and meaningful outcomes on agriculture, a permanent moratorium on customs duties on electronic transmissions, and reforms to transparency and other WTO rules and processes. Most urgently, ABAC also wanted to see the reinstatement of a fully functional, reformed WTO dispute settlement system, recognizing that a predictable, enforceable and effective WTO rule is crucial for businesses to operate with greater confidence and certainty.

As economies look ahead to the next ministerial conference, MC13, ABAC urges concerted and early work towards reaching consensus there on more ambitious outcomes on agriculture, WTO reforms and other areas of unfinished business. ABAC also calls on APEC economies to work with determination to reach high-quality, WTO-consistent outcomes in Joint Initiatives that support digital trade and e-commerce, inclusion and sustainability.

#### **Recommendations:**

37. Implement the decisions agreed at the 12th Ministerial Conference in Geneva in June and

work towards consensus at MC13 on areas of unfinished business, including agriculture and broader WTO reform.

38. Support the urgent appointment of a full slate of WTO Appellate Body members and necessary reforms to the dispute settlement system.
39. Support Joint Initiatives and other plurilateral efforts to liberalize trade in a way that complements and supports efforts towards global liberalization efforts under the WTO in an inclusive and transparent manner.
40. Champion broader and deeper business engagement in WTO processes, including by ABAC.

### ***Strengthening services trade***

Innovation and increased services trade will be the primary driver of regional growth. Forward-looking policies and economic growth strategies, including by reducing barriers to services trade; strengthening ecosystems and environments that foster innovation; and leveraging synergies and collaboration between the public and private sectors are critical. APEC needs to accelerate the implementation of the APEC Services Competitiveness Roadmap (ASCR) to bring APEC closer to its objectives by 2025. In addition, ABAC urges APEC to consider new initiatives, particularly on digital services and services that support e-commerce, essential services (including those that support the movement of essential goods), health services, and environmental services.

### **Recommendations:**

41. Urge economies already fully covered in the Organization for Economic Cooperation and Development (OECD) Services Trade Restrictiveness Index (STRI) to participate in the Pilot APEC Index this year, in order to achieve full participation at the earliest possible time.

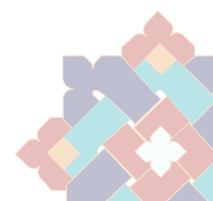
42. Facilitate cross-border delivery of digitally-enabled and digitally-delivered services and address barriers to the digital ecosystem, including privacy rules, data localization, and cybersecurity, to optimize the potential for digitalization of services trade.
43. Minimize barriers to the movement of people to maximize opportunities for services firms to acquire skilled workers and allow the exchange of talents that could uplift the overall competitiveness in global markets.
44. Support an enabling environment through digitalization with strong emphasis on upgrading talent skill sets and adapting them to the requirements of the services-based digital economy.

### **C. Fostering an enabling environment through digitalization**

#### ***Expanding vital physical infrastructure to accelerate digitalization***

While foundational digital infrastructure enables interoperable solutions and seamless digital services to reach more people and businesses at lower cost and greater convenience, physical infrastructure is an enabler of connectivity through 5G, broadband, and data centers.

The advent of the digital-first economy (DFE) – where businesses, consumers, and governments favor ‘digital-first’ experiences – is revolutionizing production processes, business operations, and consumer behavior. This is driving the proliferation of data, increasing investments in artificial intelligence (AI) solutions and growing demand for sustainable technologies. Central to the DFE is gigabit broadband infrastructure which would allow ubiquitous computing delivered by quantum cloud, the proliferation of autonomous systems powered by renewable energy and the exponential growth of data. Leveraging appropriate data governance models, these advances will create economic opportunities leading to economic growth, resiliency and competitiveness.



Building a DFE would improve GDP growth, create new business models, promote digital resiliency, increase digital inclusivity and support sustainability. However, without the necessary physical infrastructure to support this, the APEC region risks failing the full implementation of the APEC Internet and Digital Economy Roadmap (AIDER) and lagging in global trends, standards and economic benefits.

### **Recommendations:**

45. Build and execute digital master plans, including digital infrastructure and sustainable development targets, with appropriate measurement mechanisms.
46. Enhance digital network coverage with gigabit-level full fiber and 5G connections, and ensure inclusive and reliable access for all.
47. Expand information and communication technology (ICT) growth by encouraging public and private investment in frontier technologies, as well as investment in digital education and cultivating new talent pools.
48. Expedite public and private sector cloud adoption, including cloud-first policies, to accelerate vertical industry digitalization.

### ***Establishing foundational digital infrastructure***

Foundational digital infrastructure refers to essential systems that allow different users, different solutions and different devices to seamlessly interact with one another. Digital identity and cybersecurity are essential components.

ABAC believes that an aligned and integrated cybersecurity approach in APEC is critical for building the necessary infrastructure and talent to ensure that digitalization and innovation continue to drive economic growth. Going forward, technologies like 5G and cloud computing will be essential to advancing economic productivity but will also need to be

cybersecure. The nature of cybersecurity is such that no one economy or entity can protect itself alone. MSMEs are particularly vulnerable as they often lack the skills in-house to tackle cyber challenges and would thus benefit from access to cyber protected platforms for e-commerce and payment mechanisms. The decentralized nature of digital technologies means an economy's digital success is increasingly dependent on the security and resilience of networks located beyond its borders and jurisdiction.

Digital identities are a key element of the foundational digital infrastructure in the APEC region and have the potential to transform the way economies, businesses and individuals function by making it easier to access services in a more efficient, secure and privacy-enhancing manner. Digital identities can serve as a building block towards financial inclusion for unbanked individuals and for MSMEs, along with facilitating better access to government and other services such as education and healthcare, and enabling many other kinds of economic, civic, and social activity, including in business, supply chains and trade, by reducing red tape and increasing integrity, efficiency and traceability of transactions. It has been estimated that extending full digital identity coverage could unlock economic value equivalent to between 3 to 13 percent of GDP in 2030: for the APEC region, that could be worth as much as \$6.9 trillion.

To realize this potential, digital identity systems must be secure, privacy-enhancing, user-centric and interoperable within and across economies – recognizing that economies and businesses may have different legal and technical approaches to digital identities driven by nuanced policy goals. Economies should seek to ensure that digital identities include strong privacy protections and cybersecurity by design, including through innovative technologies, and within a policy and legal framework that enhances trust in the digital economy. Policymakers will need to dedicate resources to raising awareness of the benefits and opportunities of digital identities.

Recent digital agreements, including the Digital Economy Partnership Agreement (DEPA) and the Singapore-Australia Digital Economy Agreement (SADEA), have sought to accelerate the development of interoperable digital identities across borders, including through sharing of best practices on policy, implementation and adoption, and through enhanced cooperation on technical standards, protection under respective legal frameworks including through mutual recognition, and support for the development of international frameworks in this area. These approaches can offer a useful example for APEC economies more broadly.

#### **Recommendations:**

49. Establish a collaborative mechanism for cybersecurity that would coordinate regional actions such as capacity building, talent development, regulatory coordination and alignment, information sharing, and MSME support.
50. Establish digital identity systems within economies that integrate strong privacy and cybersecurity elements and have in mind potential future cross-border interoperability as well as an enabling business environment, working with the private sector.
51. Work collaboratively across economies and together with the private sector to enable cross-border interoperability of digital identities, exploring technical interoperability and international standards, as well as the mutual recognition of credentials within digital identity systems for specific use cases.

#### ***Strengthening regional data infrastructure to facilitate value creation, digital trade, and cross-border data flows***

The rapid and exponential growth in data<sup>3</sup> combined with growing capacity to extract value from it through emerging technologies such as

artificial intelligence and machine learning for various applications promises to spur innovation, increase trade, maximize the potential of digital health, and create jobs. To unlock the enormous data-enabled value creation opportunities, APEC economies need a data sharing framework founded on security, open standards and trust.

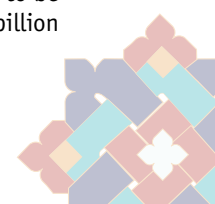
#### **Recommendations:**

52. Adopt open data policies subject to legitimate public policy exceptions, including privacy protection legislations or cybersecurity concerns, provided that such measures do not discriminate or act as a disguised restriction on trade.
53. Build awareness of the importance of secure data sharing and utilization at the economy and regional level through campaigns.
54. Encourage organizations to build a secure data sharing culture by appointing data stewards responsible to oversee data management, protection and utilization.
55. Develop data protection trust marks compliant with the Cross-Border Privacy Rules system (CBPR) and, where economies may already participate in CBPR, encourage the uptake of the voluntary CBPR by business to maintain digital trust and trade.
56. Advance value creation of real-world health data through AI and establish a coordinated regulatory approach for safe, secure cross-border flows of disaggregated health data for analysis.

#### ***Promoting the digital transformation of MSMEs***

The pandemic has created a business environment that increasingly encourages entrepreneurs to adopt digital solutions and technological innovations to remain relevant in an increasingly digital world. MSMEs which were

<sup>3</sup> The global datasphere, or the amount of data created, captured, and replicated in any given year, is expected to be 175 zettabytes by 2025, and 572 zettabytes by 2030. A zettabyte is equivalent to 1 trillion gigabytes or 1 billion terabytes.



able to make the digital shift were more resilient throughout the pandemic and remain more resilient to future shocks. Barriers to digitalization such as low digital literacy, lack of access to quality internet infrastructures, lack of digital skills, and increasingly complex digital operating environment, and divergent and restrictive regulatory settings and trade rules persist throughout the APEC region and continue to stunt the growth prospects of many MSMEs.

#### **Recommendations:**

57. Foster MSME uptake of digital technologies by leveraging public-private partnerships to accelerate digital skills development. This includes monitoring and propagating cutting-edge best practices across APEC.
58. Ensure coherence and transparency in the development of digital trade rules that prioritize simplicity and interoperability, and based on international standards, where applicable, to reduce the compliance burden on MSMEs and to enable them to take full advantage of the digital opportunity to internationalize and participate in global value chains.
59. Promote the adoption of logistics, fulfillment, and e-commerce platforms that MSMEs can leverage for scalable international growth.
60. Ensure that the 11 pillars of AIDER are implemented to narrow the digital divide. This could be enabled by a standing MSME panel to act as a sounding board for APEC officials implementing AIDER.
61. Build on existing APEC work on good regulatory practices to promote greater transparency, stakeholder consultation and due process in developing and adopting digital policies across APEC economies.

#### ***Enhancing the digital capabilities of underrepresented and underserved MSMEs***

Driving economic and social recovery of MSMEs led by members of underrepresented and underserved groups is vital to ensuring the continued economic growth of APEC economies. In this regard, ABAC has identified best practices for adoption by MSMEs to enhance their digitization capabilities, contribute to women's economic empowerment, youth mobilization, the economic development of Indigenous peoples, as well as development of governance and sustainability standards. These best practices also aim to help MSMEs overcome constraints related to lack of productive capacities and economic diversification for long-term resilient, inclusive, and balanced growth.

#### **Recommendations:**

62. Facilitate the engagement of MSMEs in international trade, especially those that are led by members of underserved communities, by tackling existing trade and other technical barriers, streamlining and digitalizing customs procedures and other business and trade facilitating measures such as e-signatures and e-invoicing, promoting simplified regimes for smaller scale operations, incentivizing the creation of export clusters, and providing technical and marketing support.
63. Leverage resources provided by the private sector to better integrate the underserved and underrepresented MSMEs, including those led by women, Indigenous peoples, and youth, into regional and global value chains.
64. Support women's contributions and innovation in meeting post-pandemic challenges, particularly in technology, medicine and



health-related fields, through greater participation in science, technology, engineering and mathematics (STEM) fields of employment, research and education, noting that increasing women's participation in STEM is one of the 2016-2030 APEC Education Strategy goals.

65. In partnership with the private sector, develop and support comprehensive tailored capacity building and digital skilling programs such as in e-commerce, digital marketing, payment platforms, logistics, online safety and cybersecurity to equip MSMEs with the necessary skills to navigate the post-pandemic business environment and set them up for success.
66. Focus on developing tailored entrepreneurial innovation ecosystems to facilitate the uptake by MSMEs of digital technologies, as part of integrating MSME digitalization and services innovation.

### ***Building the digital market infrastructure for supply chain resilience***

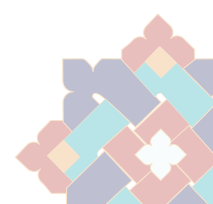
Digitalization of trade and supply chain finance services is facilitating access to finance for MSMEs, such as second and third-tier suppliers, for which traditional credit underwriting have proven to be very difficult at the earlier stages of the order-to-payment cycle. Automation is making it feasible to process credit transactions at lower cost, enabling smaller loan sizes to be economically viable for lenders, and low-value letters of credit to be viable for bankers.

E-invoicing, digital identities, and e-KYC are key foundations for digital supply chain finance, along with acceptance of other digital versions of contracts and removing unnecessary requirements for paper documentation. Distributed ledger technology enables economies to retain their own

systems governing trade, while providing a transparent and trusted system that enables cross-border supplier and distributor financing. Governments should create open ecosystems that encourage collaboration in responsible data sharing and move away from supporting data silos that could constrain competition and innovation, despite the potential for short-term benefits.

### **Recommendations:**

67. Introduce interoperable e-invoices throughout the region's economies and establish the supporting infrastructure for its use in collaboration with market participants and other stakeholders providing finance and technology solutions.
68. Assist member economies in accelerating the development of key pillars of the foundational digital infrastructure, including a trusted digital ID system, enabling financial services data ecosystems, and interoperable payment systems for digitalized transactions and operations.
69. Facilitate regional cooperation to promote interoperability of member economies' digital supply chain platforms, particularly through joint undertakings to develop interoperable standards for digital invoices and legal frameworks around the use of digital documents and linkages among domestic digital market infrastructure such as business clearing houses.





An aerial photograph of a busy port at sunset. In the foreground, a large container ship is docked at a pier, with its deck covered in colorful shipping containers. Several yellow gantry cranes are positioned along the pier, ready for loading and unloading. The water is a deep blue-green, reflecting the warm light of the setting sun. In the background, a dense city skyline with numerous skyscrapers is visible across the water. The overall scene conveys a sense of global trade and industrial activity.

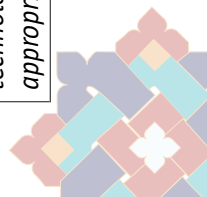
# Annexes



# A unified framework for carbon neutrality: APEC and ABAC workstreams mapped on Climate Change Principles

## Annex A

Putrajaya Vision's Aotearoa Plan of Action: Economic Drivers	Reduction/Mitigation <i>Focus on reduction and transition pathways; reduction technologies</i>	Adaptation <i>Tools and technologies for the transition to a low carbon economy</i>	Just/Fair Transitions <i>Fair outcomes in an open, rules-based trading system</i>
<p><b>Trade and Investment</b> <i>Free, fair, open, non-discriminatory, transparent and predictable trade and investment environment; support the WTO; advance the Bogor Goals including through FTAAP; seamless connectivity</i></p>	<p><b>Focus – APEC/ABAC workstreams:</b></p> <ul style="list-style-type: none"> <li>• FTA/WTO rules for climate change responses including Carbon Border Adjustment Mechanisms (CBAMs)</li> <li>• WTO Plurilaterals (TESSD, fossil fuel subsidies, distorting agriculture subsidies)</li> <li>• Trade in environmental goods and services (emissions reductions in goods &amp; services)</li> <li>• Financial support system for the promotion of decarbonization</li> </ul>	<p><b>Focus – APEC/ABAC workstreams:</b></p> <ul style="list-style-type: none"> <li>• Trade in environmental goods &amp; services</li> <li>• Trade in digital &amp; innovative low carbon goods and services</li> <li>• Framework for Trade &amp; Investment in Renewable Energy (ABAC)</li> <li>• WTO Plurilateral (TESSD)</li> <li>• FTAAP (sustainability &amp; services)</li> </ul>	<p><b>Focus – APEC/ABAC workstreams:</b></p> <ul style="list-style-type: none"> <li>• “Fair” trade rules to address carbon at the border</li> <li>• Food Security Roadmap (inclusion)</li> <li>• Work on “Just Transitions” for Women, Indigenous etc. (ABAC)</li> <li>• WTO Plurilaterals on Trade &amp; Gender, MSMEs</li> <li>• FTAAP (Inclusion)</li> </ul>
<p><b>Innovation and Digitalization</b> <i>Structural reforms and sound economic policies; enabling digital economy and innovation; strong digital infrastructure</i></p>	<p><b>Focus – APEC/ABAC workstreams:</b></p> <ul style="list-style-type: none"> <li>• Financing the transition to sustainability</li> <li>• Emissions Trading Schemes and CBAMs</li> </ul>	<p><b>Focus – APEC/ABAC workstreams:</b></p> <ul style="list-style-type: none"> <li>• Data sharing, interoperable and enabling regulatory environment</li> <li>• Enabling physical infrastructure for digital connectivity (5G, Cloud etc.)</li> </ul>	<p><b>Focus – APEC/ABAC workstreams:</b></p> <ul style="list-style-type: none"> <li>• Digital Identities to support inclusion and verified credentials e.g. for ESG/sustainability</li> <li>• Speedy and sustained recovery</li> </ul>
<p><b>Strong, Balanced, Secure, Sustainable and Inclusive Growth</b> <i>Quality growth; skills; address environmental challenges including climate change (exchange best practices and build capacity: structural reform; trade; finance; infrastructure; technology and carbon pricing, if appropriate; energy security)</i></p>	<p><b>Focus – APEC/ABAC workstreams:</b></p> <ul style="list-style-type: none"> <li>• Enhancing sustainable practices of MSMEs</li> <li>• Climate change workstream proper (reduction/mitigation work)</li> </ul>	<p><b>Focus – APEC/ABAC workstreams:</b></p> <ul style="list-style-type: none"> <li>• Digital Market Infrastructure for Supply Chain Finance</li> <li>• Food Security Roadmap (sustainable agriculture, including Bio-Circular-Green models, Digital Food Plan, other elements of adaptation)</li> </ul>	<p><b>Focus – APEC/ABAC workstreams:</b></p> <ul style="list-style-type: none"> <li>• Promoting MSME digital transformation</li> <li>• Capacity building for MSME, women, Indigenous and other underserved groups’ economic inclusion</li> </ul>





# Annex B

## The Trade and Investment in Renewable Energy and Low Carbon Emissions Technologies Roadmap Towards 2030

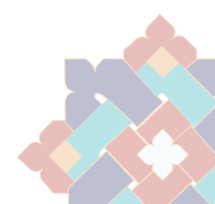
*Addressing the existential challenges of climate change by lowering carbon emissions through increased transition to renewable energies and low carbon technologies, to ensure a safer future for the APEC region.*

### Introduction

1. We acknowledge that reduction of carbon emissions is essential to urgently address the existential challenge of climate change. As a group, we recognize that we must act collectively and collaboratively to make a substantial change in energy policies to move towards carbon neutrality and to meet our commitments under the United Nations Framework Convention on Climate Change (UNFCCC) (Paris Agreement).
2. Since 1993, APEC Leaders have acknowledged the role of renewable energy in securing sustainable growth and security for future generations. In 2020, APEC Leaders agreed on the APEC Putrajaya Vision 2040 to “promote economic policies, cooperation and growth which support global efforts to comprehensively address all environmental challenges, including climate change, extreme weather and natural disasters, for a sustainable planet.”
3. Renewable energy is produced using natural resources that are constantly replenished and never run out. Just as there are many natural sources of energy, there are many renewable energy technologies. We recognize that greater deployment of renewable energy and low-emissions technologies is required for the region to meet its emissions reduction goals.
4. Trade and investment in renewable energy can accelerate the sharing of technological innovations, support the development of domestic renewable energy industries and reduce the costs of meeting emissions reduction targets. Removing trade barriers and creating and strengthening the investment environment in the region, to support and encourage adoption and transition to renewable energy by us all, is essential to reaching our goals.
5. APEC Leaders in 2020 resolved to navigate the recovery of the region along a path of strong, balanced, inclusive, sustainable, innovative and secure economic growth. APEC economies now have the opportunity to frame their economic recoveries from the impact of the pandemic to accelerate the transition to renewable energy sources.
6. This Roadmap will provide guidance and opportunities for APEC economies to learn from the experience of each other in charting their own courses for transition to a low carbon economy future.

### The Roadmap

This Roadmap builds on APEC’s previous extensive work in addressing energy security and the transition to renewable energy sources, including information sharing and capacity building.



Acknowledging that each APEC economy will find its own pathway to achieve a low carbon future, and will make the transition to the adoption of renewable energies according to their domestic development objectives and resources, the whole APEC region will benefit from consensus on addressing the challenges of reducing emissions and promoting trade and investment in renewable energy, including sharing of technologies, best practices and business models to encourage the realization of this goal.

The Roadmap builds upon the trade and investment principles which are the foundation of the World Trade Organization, on the international, regional and free trade agreements aimed at liberalizing, facilitating, harmonizing and regulating trade between member economies, creating rights and obligations that may affect trade and investment in renewable energy in the region. It also builds upon the APEC Cross-Cutting Principles on Non-Tariff Measures (NTMs) which address the costs and burden that NTMs impose on trade, the APEC Non-Binding Investment Principles, the APEC Energy Resiliency Principle, the APEC Business Advisory Council (ABAC) Climate Leadership Principles and principles of sustainable and inclusive development.

## Action Areas

### 1. *Creating an Enabling Investment Environment*

We recognize that creating an environment that is conducive to investment is critical to enabling renewable energy industries and development of low emissions technologies. Enhancing trade in these industries and technologies will lead to greater uptake of renewable energy and accelerate progress towards achievement of UNFCCC and its Paris Agreement targets.

To create this enabling environment, we are committed to:

- work collaboratively to create an attractive environment for investment in renewable energy, including investment policy and facilitation, competition and trade policy, financial access and regulatory quality and adoption of a region-wide Environmental, Social and Governance (ESG) taxonomy;
- focus on deepening measures which will contribute to the mobilization of domestic and foreign investment flows specifically aimed at financing investment in renewable energy sources and in the development of regional energy markets, including intensified collaboration in the Advisory Group on APEC Financial System Capacity Building initiatives with international organizations and business;
- frame our policy responses to the COVID-19 pandemic in ways that are consistent with domestic climate change objectives, including furthering the mobilization of capital for promoting renewable energy sources and innovation; and
- renew collaboration with the Organization for Economic Cooperation and Development (OECD) to facilitate creation of this investment environment, including:
  - extending work with the OECD on the APEC-OECD Integrated Checklist on Regulatory Reform, to develop guidelines that specifically focus on aligning investment guidelines and the mobilization of investment and innovation in renewable energy; and
  - working to implement the OECD Policy Guidance for Investment in Clean Energy Infrastructure, which builds on the OECD Policy Framework for Investment and utilizing the Framework as a tool kit, providing policy advice and capacity building within the region.

We acknowledge that there must be alignment between investment policy and decision making and climate change objectives. To that end, we agree to:



- review the Non-Binding Investment Principles with a view to ensuring they align with climate and renewable energy policies, encourage peer reviews of economies' policies and support adjustment and reforms through capacity building initiatives; and
- encourage investors to gain a better understanding of the climate risk attached to investment, including possible adoption of the Taskforce on Climate-related Financial Disclosures (TCFD) framework on climate-related financial disclosure.

## 2. Encouraging Trade

Encouraging trade in renewable energies and low emissions technologies can accelerate the sharing of innovation and support development of our domestic industries, assisting us in meeting our carbon emissions reduction targets. To create an enabling trade environment, we are committed to:

- reducing or eliminating tariffs and non-tariff measures affecting trade and investment in renewable energy in the region, including adopting regulatory harmonization to facilitate trade in renewable energy and associated goods and services;
- updating and expanding the APEC List of Environmental Goods and developing a non-binding reference list as directed by APEC Ministers Responsible for Trade in 2021, to include new and emerging renewable energy technologies and industries;
- adopting measures to identify and address issues in supply chains for renewable energy trade, such as for green hydrogen and green ammonia, and for renewable energy generation-related goods and services; and
- developing markets within and beyond our borders to create both the demand for and supply of viable renewable energy export trade.

## 3. Services

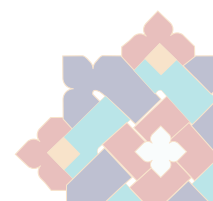
Strengthening and supporting our services industries is essential to support and facilitate all trade and investment, including in renewable energy sources and low emissions technologies. To that end, and noting the APEC definition of environmentally-related services agreed in 2021, we are committed to:

- implementing the Reference List of Environmental and Environmentally-Related Services agreed in 2021; and
- adopting recommendations of the APEC Environmental Services Action Plan Final Review, including:
  - categorizing barriers to trade in environmental services;
  - assessing the costs and benefits of liberalization of environmental services, and encouraging cooperation and avoidance of protection measures;
  - providing frameworks for regulatory review particularly in relation to approval and licensing measures; and
  - avoiding local content measures, and when they are used, ensure transparency.

## 4. Technical Cooperation, Capacity Building and Engagement with Business

We know that we are stronger when we work together, and greater progress will be achieved in a shorter timeframe if we share knowledge and capabilities. The impacts of climate change are not contained by borders and we are all affected by the prevailing conditions of the environment in our region. In the spirit of a shared endeavor, as a group we will:

- coordinate to identify measures to support technological cooperation, regulatory harmonization and skills transfer on domestic energy transition and resilience projects across the region;



- ensure strong alignment between our vision for climate change action and private enterprise objectives, to encourage investor confidence in renewable energy projects, and work with business sectors to identify and prioritize opportunities which present positive outcomes for both the environment and trade; and
- support capacity building initiatives, technology transfer and sharing and the development of human resources in higher education facilities, business and financial institutions, aimed at broadening opportunities for investment in renewable energy and innovation.

### *5. Energy Security, Resilience and Access*

We acknowledge that each APEC economy will have its own pathway to meet its Paris Agreement commitments and transition to a carbon neutral future. Essential to those decisions will be ensuring energy security, resilience and access, and the domestic development objectives and resources available to each economy. Noting this, we commit to:

- enhancing access to affordable energy, energy security and energy resilience through the APEC Energy Resiliency Principle and Energy Access Initiative so that all economies in the region can benefit from clean diversified energy access solutions and designing high-quality and resilient energy infrastructure, procuring and using low carbon and recyclable materials, if possible; and
- exploring the adoption of small-system, project-based renewable energy solutions, such as micro-grid technology, to enhance energy resilience and access to sustainable and affordable energy for all communities.

### *6. Measuring the Carbon Footprint*

If we are to reduce and eliminate carbon emissions, there is a need to identify and measure carbon content in products and services we trade and utilize. We acknowledge the sensitivity inherent in initiatives to do this, but agree to consider:

- voluntary carbon footprint disclosure as one possible investment criterion and a key foreign direct investment (FDI) quality indicator and ESG factor to align investments with the UNFCCC and its Paris Agreement goals;
- developing market-based cross-border solutions such as international green certificate systems to increase investment in renewable energy, boost generation and contribute to overall reduction of emissions in the region;
- development and utilization of hydrogen energy based on each economy's own conditions and promote cross-border applicability;
- the impact of Carbon Border Adjustment Mechanisms on trade in goods into the EU, which could have implications for trade and investment in APEC economies, especially but not limited to the effects on commodities and materials with a low carbon footprint verified by independent certified agencies; and
- creation of sustainability labels and/or separate customs codes for low carbon commodities.

### *7. Structural Reforms*

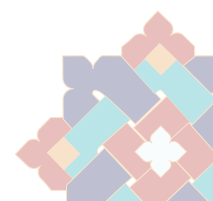
Real progress will not happen without significant structural reform in all APEC economies. Regulatory reform, adoption of international standards and development or adoption of appropriate dispute settlement mechanisms are all essential to create the secure and stable environment which will encourage and support significant, large-scale, long-term investment and trade in renewable energies and low emissions technologies. We agree to:

- review investment policies to positively influence investment decision making by all investors based on principles of transparency, investment protection and non-discrimination;
- ensure that competition policy favors innovation, encourages new investment and transmits investment benefits widely in society;
- strengthen financial markets to enhance access to finance, deepen financial inclusiveness, and encourage opportunities for both domestic and foreign investors in renewable energy industries;
- enforce regulatory quality and integrity as vital aspects of public governance and building confidence of investors, domestic and foreign;
- commit to utilize transparent and expeditious dispute settlement processes;
- investigate a mechanism for regional cooperation in developing a voluntary scheme or a carbon credits trading scheme which could accommodate the different circumstances of each economy and contribute as a region to achieve the UNFCCC and its Paris Agreement goals;
- collaborate with regional partners in strengthening regional financial, economic and social cooperation and encourage public-private partnerships (PPPs) in investment in renewable energy and innovation;
- consider adopting policies and implementing regulatory reforms which will encourage innovation, prioritize investment in research and development and enhance uptake of low carbon emissions technologies;
- engage with international development institutions to enable harmonization with international standards and best practice for trade and investment in renewable energy sources; and
- adopt structural reforms to assist the transition of sectors and enterprises adversely affected by climate-related changes to trade and investment.

## Targets

We will strive to ensure that the APEC region makes progress towards creating a trade and investment environment conducive to transition to a carbon neutral future. We encourage APEC economies to share their experiences, best practices and success stories in creating this enabling environment, through the reporting mechanism provided by this Roadmap and capacity building activities. By 2030, we will endeavor to:

- act collaboratively to reduce carbon emissions across the APEC region;
- reduce or eliminate all tariffs and non-tariff barriers on trade and investment in renewable energy and low emissions technologies;
- develop markets within and beyond our borders to create both supply and demand for renewable energy and low emissions technologies;
- encourage capacity building, knowledge sharing, and skills development initiatives to enhance opportunities to meet our carbon emissions reduction goals;
- aim to identify and measure carbon content in products and services that we trade and utilize;
- review policies to ensure decision making is based on principles of transparency, investment enhancement and non-discrimination;
- ensure that competition policy favors innovation, encourages new investment and shares the benefits of investment widely in society; and
- work towards adopting relevant international standards to enhance opportunities for trade and interoperability of technologies.



## Implementation

We assign Senior Officials with overall responsibility for monitoring and evaluating progress under the Roadmap. We encourage close collaboration with all APEC fora, and in particular, the APEC business community through ABAC, and other relevant stakeholders.

Economies have undertaken to develop an implementation plan for each action area which identifies specific voluntary actions and initiatives reflecting their own prioritization, objectives and circumstances in their own economies.

To encourage action in our economies and to assist in tracking progress towards carbon neutral targets, we recommend periodic standardized measurement be utilized, such as monitoring the renewable energy share in total energy consumption and the level of foreign direct investment to support renewable energy production.

### SHARING EXPERIENCES:

Measures adopted to encourage trade and investment in renewable energy and low emissions technologies and to meet the Roadmap targets:

YEAR	ECONOMY	ACTION AREA	INITIATIVE	COMMENTS
2022	Australia			
	Brunei Darussalam			
	Canada			
	Chile			
	China			
	Hong Kong, China			
	Indonesia			
	Japan			
	Korea			
	Malaysia			
	Mexico			
	New Zealand			
	Papua New Guinea			
	Peru			
	Philippines			
	Russian Federation			
	Singapore			
	Chinese Taipei			
	Thailand			
	United States			
	Viet Nam			

# Annex C

## ABAC Statement on the Free Trade Area of the Asia-Pacific

Achievement of the Free Trade Area of the Asia-Pacific (FTAAP) remains ABAC's preeminent trade and economic priority and is an important part of the APEC Putrajaya Vision 2040. ABAC welcomes the priority given in 2022 to a refreshed APEC conversation on FTAAP.

FTAAP can be seen both as a destination and a journey. As a destination, it is informed by the vision of deeper regional economic integration serving as the foundation for an open, dynamic, resilient, prosperous, and peaceful Asia-Pacific community. As a journey, FTAAP needs to respond to the dynamic and evolving global business environment. Above all, we recall the 2014 FTAAP Beijing Roadmap and the 2016 Leaders' Lima Declaration affirmations that the eventual FTAAP should be high quality, comprehensive and incorporate and address next generation trade and investment issues.

### The Vision

ABAC sees a number of priorities for the achievement of FTAAP.

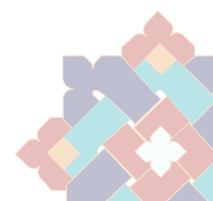
First, ABAC urges APEC to seek the convergence of high-quality approaches to trade and investment. This should be based on the completion of a detailed examination of existing pathway free trade agreements in the region that has been underway for some time. This examination should include next generation trade and investment issues as well as the mechanisms in place for dispute resolution, along with regular assessments of any shortcomings or implementation challenges that may have emerged.

With regard to the pathways, ABAC encourages all remaining members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and of the Regional Comprehensive Economic Partnership (RCEP) to ratify and implement these agreements as soon as possible, recognizing the contribution they make to sustainable and inclusive prosperity in the APEC region. ABAC further recommends that members aim to improve the agreements over time and encourage economies which can meet the high standards of the agreements to join.

Second, ABAC emphasizes the importance of developing rules for smooth, secure, trusted, interoperable and inclusive cross-border e-commerce/digital trade, recognizing the contribution of the pathway agreements and dedicated high-quality digital agreements.

Third, enabling more inclusive participation in trade, including e-commerce/digital trade, by underserved groups such as micro, small and medium-size enterprises (MSMEs), women, Indigenous peoples, and other groups with untapped economic potential will also be an essential element of the eventual FTAAP. ABAC believes that a successor initiative to the Boracay Action Agenda to Globalize MSMEs is needed. This will be critical to enable those groups – and our economies as a whole – to realize the full opportunities of deeper integration.

Fourth, the region faces a heightened risk of natural disasters as a result of global warming, with severe negative implications for supply chains, sustainability, inclusion and prosperity. The climate change response must be a critical element in FTAAP. The current pathway agreements do not fully respond to this need. We encourage APEC economies to develop rigorous, strategic and practical responses informed by the ABAC Climate Leadership Principles, including in relation to trade and investment, and within the framework of trade agreements.



To achieve FTAAP, APEC economies should:

- build on and improve the quality of pathway trade agreements and other regional economic integration undertakings in the region by pursuing convergence around the approaches that work best in these agreements and by addressing any implementation issues or other shortcomings that may have emerged through regular assessment;
- encourage remaining CPTPP and RCEP members to ratify and implement the agreements, while encouraging new entrants which can meet the high standards of these agreements;
- develop by consensus high-quality rules in new areas including digital trade and other next generation trade and investment issues drawing, where appropriate, from the pathway agreements and dedicated, high-quality digital agreements;
- enable economic inclusion and expand economic benefits by actively reducing barriers and building the capacity of MSMEs, women-led businesses, and those of other underserved groups in global supply chains and trade; and
- advance trade policy approaches to respond more effectively to climate change informed by the ABAC Climate Leadership Principles, including in relation to trade and investment, and within the framework of trade agreements.

## The Journey

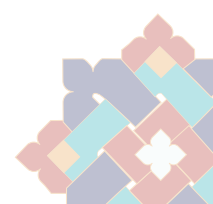
Businesses and communities cannot afford to wait twenty years for the full realization of FTAAP. Progress towards an eventual FTAAP should be made through a process of gradual accretion of smaller elements that serve as building blocks for the evolving trade and investment architecture. These elements may not necessarily be implemented by all APEC economies in the same way and over the same timeframe, but efforts should be made to ensure that overall approaches are coherent and seek to optimize both the benefits to business and the early achievement of improvements to inclusion and sustainability.

ABAC accordingly proposes that APEC agree to develop detailed **multi-year work programs** on five urgent business community priorities. This work should commence in 2023, with a review of progress in 2026 and a review of objectives in 2031. Work programs should seek to develop concrete outcomes that could be implemented expeditiously, and which will result in tangible improvements for business. APEC can consider identifying a lead economy to coordinate and drive each work program; similarly, ABAC representatives can also be identified to convey ABAC's inputs.

Early priorities could be identified across the full range of FTAAP elements, but we identify five specific proposals below. We underscore that these proposals represent only a small number of ABAC's goals for FTAAP. ABAC has consistently called for ambitious outcomes across the FTAAP agenda, in areas that go well beyond these early priorities.

- i. **Digitalization:** Recognizing the key enabling role that digital technologies can play in growth, productivity, inclusion and innovation, we call for early work on achieving greater interoperability in digital trade, including for safe and secure cross-border data flows, digital identities, e-signatures, e-invoicing and e-payments, and on reducing restrictions on the services that support e-commerce.

- ii. Inclusion:** Recognizing that the pandemic has gravely jeopardized our progress towards greater inclusion, we call for prioritization of programs and initiatives to build capability and improve participation in trade and investment, including digital trade, by women, MSMEs, Indigenous communities and other groups with untapped economic potential.
- iii. Sustainability:** Noting the strong potential synergies between open trade and good sustainability outcomes, we call for early work to facilitate trade in environmental goods and services, expanding on APEC's current list of environmental goods and adding services; and to develop a framework for trade and investment in renewable energy.
- iv. Trade and investment:** Recalling the Beijing Roadmap and Lima Declaration, and conscious of the need to pull every lever to support economic rebuilding, we call for early work, in collaboration with ABAC, on non-tariff measures (NTMs) that have an adverse impact on trade, to identify such measures and develop mechanisms that can address them, with reference to relevant high-quality elements of pathway agreements as well as the APEC Cross-Cutting Principles on Non-Tariff Measures.
- v. Trade response to the pandemic:** Noting the severe impacts of the pandemic on trade flows in the region, and conscious of ongoing downside risks to growth, we call for focused work to enhance the functioning of supply chains, including through universal adoption of paperless trade, interoperable digital single windows and greater regulatory transparency.







# Annex D

## ABAC Statement on the World Trade Organization

The rules-based multilateral trading system, with the World Trade Organization (WTO) at its heart, is critical to an effective response to the global challenges that the world economy faces, including the COVID-19 pandemic, supply chain disruptions, climate change, geopolitical tensions and other disruptive forces. A well-functioning WTO is the vital foundation for sustained, sustainable and inclusive prosperity.

The APEC Business Advisory Council (ABAC) strongly supports an ambitious outcome at the Twelfth Ministerial Conference (MC12) and urges the meeting be held without further postponement.

Achieving this outcome is the responsibility of all WTO Members, individually and collectively.

**We call on APEC Ministers to work together to shape an MC12 outcome that enables a strong, credible and relevant WTO, one that provides a secure foundation for the rules-based multilateral trading system, that responds effectively to the pandemic, fosters a robust return to growth, and reflects evolving business needs and models.**

Specifically, ABAC calls on APEC Ministers to show leadership in achieving:

### 1. An effective response to pandemic challenges

Since the emergence of COVID-19, ABAC has advocated trade solutions to pandemic problems. In particular, undistorted, open and well-functioning markets are needed to meet the evolving health and economic challenges. We call for:

- support for the Trade and Health Initiative and other focused actions to address vaccine equity;
- the removal of export restrictions, import tariffs and non-tariff barriers on vaccines and their inputs, and on an agreed list<sup>1</sup> of essential medical supplies and services;
- minimization of barriers to facilitate the movement of essential personnel across borders in times of crisis; and
- new and effective reporting and monitoring mechanisms for all trade-related pandemic responses, including measures on vaccines and essential medical supplies and services, as well as on the subsidies aimed at supporting economic recovery.

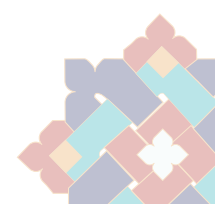
### 2. Full operation of all parts of the WTO system

Ensuring that the WTO system continues to be relevant, effective and enforceable will be critical to economic rebuilding. We call for:

- urgent action to appoint a full slate of WTO Appellate Body members, and agreement on necessary reforms.

---

<sup>1</sup> The agreed list should include medical equipment, medicines, active pharmaceutical ingredients, basic hygiene products and equipment, inputs to vaccine supply chains such as adjuvants, vials and syringes, and vaccines themselves.



### 3. Necessary reforms to WTO rules and processes

WTO rules need to reflect modern business needs and support greater productivity, resilience, inclusion and sustainability. For both the credibility of the system, and in order to achieve better outcomes for our communities, we call on APEC Ministers to work together to secure the following priorities at MC12:

- **enhanced transparency** in WTO Members' trade policies and measures including in new areas such as e-commerce;
- agreement to the urgent elimination of harmful **fisheries subsidies**;
- ambitious work program on agriculture including substantial and meaningful reductions in **trade-distorting agriculture domestic support**;
- support for ambitious, commercially-meaningful outcomes on the trade-related aspects of **e-commerce** that build on existing WTO agreements and frameworks including the conclusion of Joint Initiative on E-commerce negotiations by the end of 2022;
- seek agreement to a **permanent moratorium on customs duties on electronic transmissions**;
- a fresh look at the rules on **subsidies**, industrial as well as agricultural, consistent with fundamental WTO principles for fair and non-discriminatory trade;
- early conclusion of an Investment Facilitation for Development Agreement within the WTO Framework;
- support for ongoing work on a range of environmental initiatives, including a sectoral initiative to liberalize trade in an agreed list of **environmental goods and services**; the new joint initiative on Trade and Environmental Sustainability Structural Discussions, including trade responses to climate change; and the elimination of inefficient **fossil fuel subsidies**; and
- support for initiatives that enable more inclusive participation in trade by **MSMEs** and women, including support for the work of the Informal Working Group on Trade and Gender as well as of the Informal Working Group on MSMEs.

ABAC urges APEC Ministers to formally recognize that '**plurilateral**' initiatives can make an important contribution to good outcomes for the system overall, provided that they are consistent with WTO principles and are designed to serve as building blocks to future multilateral outcomes, and in fact can deliver commercially-meaningful outcomes for business. ABAC also urges that economies which have yet to do so to implement fully their commitments under the WTO Trade Facilitation Agreement.

In that connection, we welcome the conclusion of the negotiations in the Joint Initiative on **Services Domestic Regulation** that was agreed by a group of WTO Members last December, which will make a significant contribution to growth in services trade, productivity and business resilience – and also to greater gender equality and women's economic empowerment. We urge all APEC economies to adopt the new disciplines that have been agreed by the group, to support APEC's own ongoing work under the APEC Services Competitiveness Roadmap.

Finally, ABAC maintains that a broader and deeper formal engagement with the **international business community**, including ABAC, will support better WTO policymaking, and APEC Ministers should champion this in Geneva.

# Annex E

## The APEC Business Advisory Council

### Founding and Structure

The APEC Business Advisory Council (ABAC) was created by the APEC Economic Leaders in November 1995 to provide the business perspective on specific areas of cooperation to APEC Leaders, Ministers and Senior Officials. It is the sole non-governmental entity that has an official role in the APEC Economic Leaders' Meeting through a formal dialogue.

ABAC comprises 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 Secretariat based in Manila, 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.

### ABAC in 2022

In 2022, Thailand took on the chair of ABAC, with New Zealand and the United States as co-chairs, following the APEC order. Co-chairs represent immediate past and future chairs.

This year, ABAC adopted the theme "Embrace. Engage. Enable." The 2022 work program focused on the following priorities:

#### Regional Economic Integration Working Group

- Progressing pathway agreements towards the realization of FTAAP
- Supporting the WTO and advocacy for the rules-based multilateral trading system
- Strengthening services trade and investment
- Reopening borders for safe and seamless travel

#### Digital Working Group

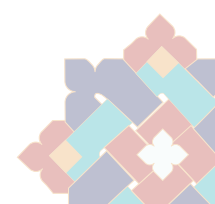
- Establishing foundational digital infrastructure
- Strengthening regional data infrastructure to increase productivity, trade, and regional competitiveness
- Expanding vital physical infrastructure to expedite the digitalization of the economy

#### MSME and Inclusiveness Working Group

- Promoting the digital transformation of MSMEs
- Enhancing sustainable practices of MSMEs
- Building the digital market infrastructure for MSME supply chain finance
- Fostering greater economic inclusion (women, youth, Indigenous peoples and underrepresented/underserved groups)

#### Sustainability Working Group

- Building net zero economy and promoting green recovery in APEC
- Advancing realistic energy transition towards low carbon in APEC
- Fostering a sustainable food system that ensures food security and safety



### Finance and Economics Working Group

- Promoting speedy and sustained recovery
- Developing a public-private partnership (PPP) framework for pandemic risk transfer
- Financing the transition to sustainability
- Building an enabling ecosystem for digital finance

In addition, ABAC collaborates with economies in implementing previous ABAC recommendations that have been endorsed by the Finance Ministers through the Asia-Pacific Financial Forum (APFF), the Asia-Pacific Financial Inclusion Forum (APFIF) and the Asia-Pacific Infrastructure Partnership (APIP). These are policy initiatives established by the APEC Finance Ministers, which ABAC oversees through the Advisory Group on APEC Financial System Capacity Building.

ABAC convened four meetings in 2022: Singapore (15-18 February); Vancouver, Canada (25-28 April); Ha Long, Viet Nam (26-29 July); and Bangkok, Thailand (13-16 November). Two meetings of the Advisory Group were also held: Singapore (15 February) and Bangkok, Thailand (13 November).

ABAC actively participated in various APEC meetings and related events held virtually or in-person, among others: First APEC Senior Officials' Meeting (SOM1) and related meetings (14-25 February); Finance and Central Bank Deputies' Meeting (Bangkok, Thailand: 17-18 March); SOM2 (Bangkok, Thailand: 9-19 May); APEC Ministers Responsible for Trade (MRT) - ABAC Public-Private Dialogue (Bangkok, Thailand: 21 May); MRT Meeting (Bangkok, Thailand: 21-22 May); Senior Finance Officials' Meeting (SFOM) (Khon Kaen, Thailand: 22-23 June); SOM3 (Chiang Mai, Thailand: 16-31 August); APEC Tourism Ministerial Meeting (Bangkok, Thailand: 19 August); APEC Food Security Ministerial Meeting (26 August); Women and the Economy Forum (Bangkok, Thailand: 7 September); APEC SME Ministerial Meeting (Phuket, Thailand: 9-10 September); APEC Finance Ministers' Meeting (Bangkok, Thailand: 19-21 October); and APEC Leaders' Week (Bangkok, Thailand: 14-19 November).

Other events organized and/or participated in by ABAC included: Joint ABAC Roundtable on Interoperable Open Data Systems with APFF Payments Fintech Working Group, ASEAN Bankers' Association and Emerging Payments Association Asia (14 February); ABAC-APFF Roundtable on Public-Private Partnerships in Pandemic Risk Transfer (20 April); Roundtable on Financing Sustainable Infrastructure in the Asia-Pacific Region (20 April); ABAC Cybersecurity Symposium (Vancouver, Canada: 25 April); ABAC Dialogues on Inclusion and Sustainability (25 May and 2 June); Joint ABAC Roundtable on the Digital Market Infrastructure for MSME Supply Chain Finance with APFF Financial Infrastructure Development Network (FIDN), SME Finance Forum and the Office of SMEs Promotion of Thailand (14 June); ABAC-PECC Roundtable on Structural Reforms (15 June); ABAC Roundtable: How to create and maintain a crisis-proof resilient APEC travel infrastructure (16 June); Joint ABAC Roundtable on Transition Financing for MSMEs with APFF Sustainable Finance Development Network (SFDN), SME Finance Forum and the Office of SMEs Promotion of Thailand (16 June); Asia-Pacific Financial Inclusion Forum Dialogue on Retail Central Bank Digital Currencies (CBDCs) (17 June); ABAC-APFF Financial Market Infrastructure Network Roundtable Discussion on Wholesale CBDCs (28 June); ABAC-PECC Roundtable on Macroeconomic and Supply-Side Policies (29 June); ABAC Digital Health Forum (1 July); ABAC Workshop on Education and Training for Sustainable MSMEs (7 July); ABAC Public-Private Dialogue: Strengthening your Edge: Services and Skills for the 21st Century (12 July); ABAC-SFDN Roundtable on Effective Carbon Emissions Trading and Markets-Pricing Mechanisms (13 July); Joint ABAC-APFF-ASEAN Bankers' Association Seminar on Open Data Systems (19 July); and APEC CEO Summit (Bangkok, Thailand: 16-18 November).

## **Studies and Related Work**

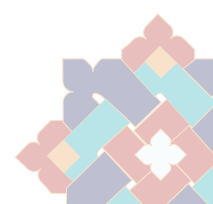
ABAC commissioned research to assess the current digital identity landscape in APEC. It undertook a study on the utilization of Data in Digital Trade and prepared a Digital Health Report which sought to understand how businesses are creating value out of health data using artificial intelligence. ABAC examined the need for the establishment of a regional platform for cybersecurity in the APEC region and the conditions for success. Research was pursued to provide policymakers with information and recommendations to drive the development of a digital-first economy. In partnership with the University of Southern California Marshall School of Business, ABAC produced a new APEC MSME Scorecard to assess the progress and readiness of each APEC MSME economy in navigating through a post-pandemic environment and developed pragmatic recommendations to drive MSME growth in such environment.

## **Outreach**

ABAC continued to strengthen its interaction and engagement with APEC Ministers, Senior Officials and APEC fora, including by holding meetings with the APEC leadership at the domestic level after each ABAC meeting.

## **Future Work**

ABAC remains fully committed to providing advice to APEC Leaders on business sector priorities and in helping build a dynamic, resilient and prosperous Asia-Pacific community. Future work will continue to focus on implementation of the Putrajaya Vision and the Aotearoa Plan of Action, regional economic integration, support for the WTO and FTAAP, trade facilitation, infrastructure development and investment, supply chain connectivity and global value chains, digital economy, MSME development, economic empowerment of women, youth and the underrepresented, food security, climate change and renewable energy, structural reform, and the development and integration of financial markets.



# List of Acronyms

ABAC	APEC Business Advisory Council	FMP	Finance Ministers' Process
ABTC	APEC Business Travel Card	FTA	Free Trade Agreement
AI	Artificial Intelligence	FTAAP	Free Trade Area of the Asia-Pacific
AIDER	APEC Internet and Digital Economy Roadmap	GHG	Greenhouse Gas Emissions
APEC	Asia-Pacific Economic Cooperation	ICAO	International Civil Aviation Organization
APFF	Asia-Pacific Financial Forum	ICT	Information and Communication Technology
APFIF	Asia-Pacific Financial Inclusion Forum	GDP	Gross Domestic Product
APIP	Asia-Pacific Infrastructure Partnership	MC	Ministerial Conference
ASCR	APEC Services Competitiveness Roadmap	MRT	Ministers Responsible for Trade
ASEAN	Association of Southeast Asian Nations	MSME	Micro, Small and Medium Enterprise
BCG	Bio-Circular-Green	NTM	Non-Tariff Measure
CBAM	Carbon Border Adjustment Mechanism	OECD	Organization for Economic Cooperation and Development
CBDCs	Central Bank Digital Currencies	PECC	Pacific Economic Cooperation Council
CBPR	APEC Cross-Border Privacy Rules system	PPFS	Policy Partnership on Food Security
CCUS	Carbon Capture, Utilization and Storage	PPP	Public-Private Partnership
CEO	Chief Executive Officer	RCEP	Regional Comprehensive Economic Partnership
CO2	Carbon Dioxide	SADEA	Singapore-Australia Digital Economy Agreement
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	SDGs	Sustainable Development Goals
COVAX	COVID-19 Vaccines Global Access	SFDN	Sustainable Finance Development Network
COVID-19	Coronavirus Disease of 2019	SFOM	Senior Finance Officials' Meeting
DEPA	Digital Economy Partnership Agreement	SME	Small and Medium Enterprise
DFE	Digital-First Economy	SOM	Senior Officials' Meeting
e-KYC	Electronic Know Your Customer	STEM	Science, Technology, Engineering and Mathematics
ESG	Environmental, Social and Governance	STRI	Services Trade Restrictiveness Index
ETSs	Carbon Emissions Trading Schemes	TESSD	Trade and Environmental Sustainability Structured Discussions
EU	European Union	TFCO	Taskforce on Climate-Related Financial Disclosures
FAST-Infra	Finance to Accelerate the Sustainable Transition-Infrastructure	UN	United Nations
FDI	Foreign Direct Investment	UNFCCC	United Nations Framework Convention on Climate Change
FIDN	Financial Infrastructure Development Network	WHO	World Health Organization
		WTO	World Trade Organization

## **ABAC Executive Director 2022**

**Montri Mahaplerkpong**  
Vice Chairman  
The Federation of Thai Industries  
Email: [marty@scg.com](mailto:marty@scg.com)

## **APEC Business Advisory Council Secretariat**

**Antonio Basilio**  
Director

**Evelyn Manaloto**  
Deputy Director

32/F Zuellig Building  
Makati Avenue Corner Paseo de Roxas  
Makati City 1225 Philippines  
Tel: (632) 8845 4564 / (632) 8843 6536  
Fax: (632) 8845 4832  
Email: [abacsec@pfgc.ph](mailto:abacsec@pfgc.ph)  
Website: <https://www.abaconline.org>



**ABAC**  
APEC BUSINESS ADVISORY COUNCIL  
THAILAND 2022



[www.abaconline.org](http://www.abaconline.org)