

4 August 2024

**The Honorable Romulo Mucho Mamani**

Chair, APEC Energy Ministerial Meeting  
Minister of Energy and Mines  
Peru

Dear Minister Mucho,

On behalf of the APEC Business Advisory Council (ABAC), it is an honor to present our recommendations to the APEC Energy Ministers. We recognize the vital role of energy in economic growth, sustainable development, and societal well-being. We commend the APEC Energy Ministers for their efforts in promoting regional dialogue and cooperation on energy issues. The world has now seen 12 consecutive months of temperatures greater than 1.5 degrees above pre-industrial levels. In light of the urgent climate crisis and energy sector challenges, it is crucial to work together on key issues.

**1. Promoting Just, Ambitious and Realistic Energy Transitions**

APEC should accelerate efforts toward a low-carbon economy with a dual strategy grounded in our Climate Leadership Principles of Reduction, Adaptation and Just Transitions. First, APEC should actively seek to reduce carbon emissions, including those generated by fossil fuels, *inter alia*, by urgently eliminating inefficient fossil fuel subsidies. Second, APEC should promote the development, use and trade in renewable energy, green investment and related infrastructure development while recognizing that established net-zero and low-emission fuels play a significant role in facilitating energy transition while ensuring energy security. Just Transitions should be a benchmark in both cases to ensure that groups with untapped economic potential, including micro-, small and medium-sized enterprises, women, Indigenous peoples and vulnerable Asia-Pacific economies, are not left behind.

- To meet ambitious climate goals amid rising electricity demand, APEC needs to deploy advanced clean technologies. These include hydrogen, ammonia, carbon capture, utilization and storage (CCUS), carbon recycling, biomass, nuclear power and energy-saving technologies, including digitalization. This approach will help minimize CO<sub>2</sub> emissions from traditional fossil fuels during the transition to a low-carbon economy. These advanced technologies need to be utilized to increase low-carbon investments. This can be achieved by expanding transition finance, supported by international cooperation and the development of low-carbon roadmaps and interoperable voluntary carbon markets. Reducing currency risk for energy transition projects in developing economies through the use of bonds indexed to a basket of major currencies will be an effective measure. Research from think tanks and specialized organizations should be considered to tailor transition finance strategies to the specific context of the APEC region.

**2. Establishing a Greener Trade Framework**

Trade is essential for achieving climate and sustainability goals, but realizing its potential requires cooperation among APEC economies on global environmental challenges. No single economy

can achieve these goals alone. ABAC recommends establishing a coherent Greener Trade Framework, based on WTO-consistent principles and ABAC's own Climate Leadership Principles, to effectively leverage trade in addressing the climate challenge and avoid green protectionism. A region-wide, principles-based framework would support the transition to low-carbon, nature-positive, and inclusive economies. It would unlock commercial opportunities in sustainable supply chains, environmental goods and services, renewable energy, and clean technology, benefiting people, prosperity, and the planet. Of particular relevance to the energy sector, the Greener Trade Framework could incorporate the ABAC Roadmap on Trade and Investment in Renewable Energy, which we urge APEC also to adopt.

### **3. Advancing Sustainable Growth for the Electric Vehicle Supply Chain**

APEC should ensure fair trade conditions and reduce trade frictions through the elimination of tariffs, non-tariff barriers and other discriminatory trade policies to facilitate trade in and the seamless movement of goods and services related to the production of electric vehicles (EVs), fostering growth in this critical sector. Supporting the development of international standards will simplify compliance and reduce costs. Promoting investment in EV infrastructure and critical mineral supply chains, and encouraging sustainable mining practices, are also essential, as is a rapid transition to a cleaner energy supply for EVs.

We thank you for your attention to our key messages. ABAC stands ready to collaborate with you during the APEC Energy Ministerial Meeting.

Yours sincerely,



**Julia Torreblanca**  
ABAC Chair 2024